

The National Underwriter

LIFE INSURANCE EDITION

THURSDAY, JUNE 8, 1922



"Cooperation Headquarters"

Home Office Building of the Peoria Life. Owned by the Company, without lien or incumbrance of any kind. Built from its current receipts, without disturbing the farm mortgage investments which have earned the Peoria Life its reputation for:

"Policies Strong as Farm Mortgages Can Make Them!"

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"Interesting"—"thorough"—"practical," are some of the comments we hear about the Peoria Life Course in insurance salesmanship, from men competent to judge.

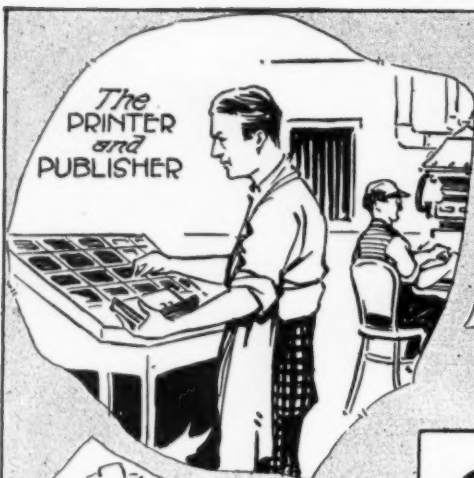
Peoria Life agents like the Course because it is brass-tacks all through. It is so arranged that new men are not delayed in entering promptly upon active solicitation of business. They earn while they learn.

The Peoria Life Course in Insurance Salesmanship makes bigger producers and better life insurance men. It is only one of the means by which the Peoria Life helps its men make good.

Peoria Life Insurance Company

Peoria, Illinois

Good Contracts to Clean, Live Agents



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PRINTER
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PUBLISHER



The
MANUFACTURER



The
BANKER



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LUMBER
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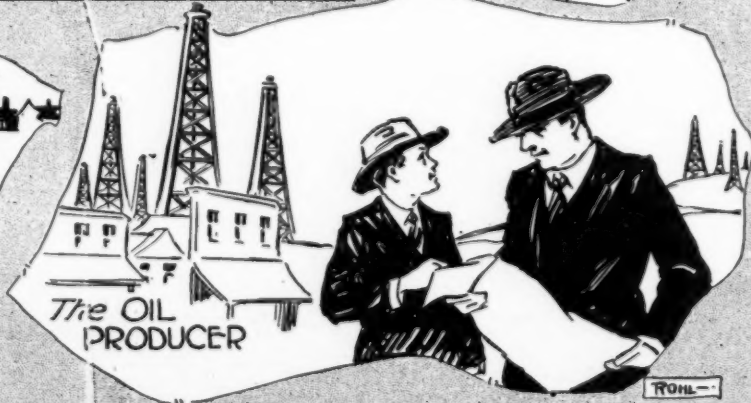
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Many opportunities for broader service exist for the Agent who includes in his equipment attractive Group Contracts. Group Insurance will

- Give him a definite point of contact with every employee in the firm carrying a Group Policy
- Increase his clientele
- Accord him favorable publicity and increase his prestige
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- Enable him to establish favorable relations with the executives of the firm
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In the Missouri State Life a well organized Group Department with a staff of trained representatives are prepared to assist the Agent in presenting Group Insurance to his prospects.

MISSOURI STATE LIFE INSURANCE COMPANY

M. E. Singleton, President Home Office, St. Louis
LIFE ACCIDENT HEALTH GROUP

The National Underwriter

LIFE INSURANCE EDITION

Twenty-Sixth Year. No. 23

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, June 8, 1922

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ANALYSIS OF TWISTING BY OHIO OFFICIAL

Superintendent of Insurance Gearheart Says Policyholder Is Under Misapprehension

DOES NOT GET THE FACTS

Question Is Reviewed In An Impersonal Way After Exhaustive Investigation Has Been Made

COLUMBUS, O., June 5.—Much interest is being taken by life men in Ohio over the decision of Superintendent B. W. Gearheart of this state refusing to renew the license of a life man of Chicago who was accused of attempting to twist about \$80,000 of life insurance held by one of the leading merchants of Cleveland. Superintendent Gearheart asks that names be suppressed as he dealt with the case in a purely impersonal way. Superintendent Gearheart has gone into this case very exhaustively because he wanted to reach some conclusion on how far his department could go in taking drastic action on twisting cases. Mr. Gearheart had the law carefully reviewed and would welcome a test case to decide the question. The life man, a resident of Chicago, applied for a renewal of a broker's license. The complaint filed against him was made by J. W. Pickard, Jr., of the Mutual Benefit Life, Herman Moss, of the Equitable of New York, H. F. McNutt of the New England Mutual, Harold Pearce of the Guardian Life and J. E. Murray of the Penn Mutual Life all of Cleveland. The hearing was first held Mar. 28 and Mr. Gearheart's findings in the matter and his comment are most important from a life insurance standpoint because he reviews the case in an impassioned and impersonal way. It is one of the strongest arguments against twisting that has been presented. The men who made the complaint are all members of the Cleveland Association of Life Underwriters. Mr. Gearheart in handing down his decision said:

Text of the Decision

M. on Feb. 14, 1922, representing himself to be a resident of Illinois, made application to the superintendent of insurance of Ohio for a renewal of a broker's license which he had prior to that time, authorizing him to solicit life insurance, placing the same through Ohio agents. Objection to the issuing of the renewal of this license was made by a number of underwriters of Cleveland, who charged that M. had been engaged in what is known as the practice of "twisting." The matter was heard in the department and there seemed to be little dispute about the facts on which the complaints were founded.

It appears that M. holds himself out as possessing unusual knowledge and skill regarding the plan and systems of life insurance and represents to his clients that he is able to give expert advice as to the nature and forms of policies which should be carried by them,

IS LICENSED IN TEXAS

TRAVELERS OPENS AN OFFICE

Is First of the Large Companies to Return After Passage of Robertson Law

DALLAS, TEX., June 7.—The Travelers, which recently entered this state, will open its branch office in the Great Southern Life building here. It will be formally opened for business Thursday of next week. The life and accident department will be in charge of S. W. Alderson as manager and the compensation and liability lines will be in charge of Story B. Howard as manager. Mr. Alderson was formerly an agent in Kansas, then a special agent, then assistant manager at Kansas City. Mr. Howard has been manager at Manchester, N. H. Ed. Rasmussen, who has been special agent of the Travelers at Omaha, goes to Dallas as special agent of the life and accident department. J. O. Hoover, assistant superintendent of agencies at the home office will be in Texas next week when the branch opens to assist in re-establishing the company in the Lone Star state.

The Travelers is the first of the large companies to return following the enactment of the Robertson legal reserve law. It retired for all lines from the state then. It will be interesting to watch the development of the Travelers in Texas because it operating in New York, can pay only New York commissions, while the other companies in Texas can pay much higher commissions. The Travelers will compete largely on account of its size and low rates. It intends to give complete service to Texas agents in every particular.

In view of their particular ages and financial condition. His business is largely with persons who are already policyholders and to whom he gives advice as such expert. Usually his recommendation is that policies, upon which a substantial reserve has been accumulated, particularly if there is indebtedness against them, be surrendered; the loan, if any, paid and an approximately equal amount of new insurance taken and the balance of the surrender value, if any, invested by the policyholder. His clients are usually persons who have a very substantial amount of insurance and manifestly no two cases would present exactly the same facts.

Investigates the System

In this opinion I shall consider the matter from an impersonal standpoint, that is, I shall base my decision upon my view of the propriety of the system which M. recommends, rather than upon the question of his own personal qualifications. For if his methods are not open to objection, I know of no reason why he should be denied a license. On the other hand, if they are, it would be proper to refuse him a license.

It is the duty of the superintendent of insurance of Ohio to see that the laws relating thereto are enforced. G. C. Section 617.

In State vs. Tomlinson, 101 O. S. 459, the court held that under the above section the superintendent had a right to revoke the license of a company if necessary to secure compliance with the insurance laws. It said:

"The more effective way to execute

(CONTINUED ON PAGE 18)

ENDS COLORADO CASE

CONFIRMS WILSON'S REMOVAL

Supreme Court Holds That Former Commissioner Has no Right to Office Given to Cochrane

DENVER, COLO., June 6.—The Colorado Supreme Court on Monday by a three to two vote confirmed the removal of Earl Wilson as insurance commissioner of the state, who has been holding on to his office after he had been removed by Governor Shoup and Jackson Cochrane had been appointed. Commissioner Wilson got into controversy over his attempt to revoke the license of the Mountain States Life. Governor Shoup notified him that he must vacate the office on Oct. 15, 1921. On Oct. 29, Mr. Cochrane was appointed. Mr. Wilson refused to vacate the office and appealed to the courts.

The two main questions considered by the court were first, is the commissioner of insurance an executive or judicial officer and under civil service? Secondly, was Mr. Wilson entitled to a hearing before the civil service commissioner? In regard to the first question the court held that the office is an executive one and is under the classified civil service. As to the second question the court holds that the right to hearing is given only to those appointed by merit and fitness as ascertained by a competitive examination. Mr. Wilson passed no such examination and the court held that he was only a provisional appointee.

IS ORGANIZING MORE STATES

Manufacturers Life of Canada to Extend Operations in Ohio, Pennsylvania and Illinois

The Manufacturers Life of Canada, which has been licensed in some of the states for many years, is now planning a more thorough organization of Ohio, Pennsylvania and Illinois. The company has \$40,000,000 of assets and \$200,000,000 in force, a remarkably high ratio of assets to insurance. It issues both participating and nonparticipating and has an abstainers' section, in which both "par" and "nonpar" are issued. Its experience with abstainers is probably greater than that of any other company, as it took over the Abstainers & General of Toronto. It finds the mortality of abstainers is nearly 20 percent lower than that of non-abstainers.

The Manufacturers follows the branch office system of organization and offers general agency contracts in the offices it maintains. It has been in Michigan a long time and has that state well organized.

Woods Is Agency Director

A. L. Woods has been appointed agency director of the Reserve Loan Life of Indianapolis. He was formerly manager of agencies for the Southern Life & Trust of Greensboro, N. C., and then was appointed manager for the Reserve Loan for North and South Carolina. He is regarded as a very capable man.

SUBSTANDARD IS BIG TOPIC OF ACTUARIES

Important Discussions of Questions Presented by Arthur Hunter and F. B. Mead

CATHLES NEW PRESIDENT

Vice-president and Actuary of Southland Life Heads American Institute for Coming Year

Substandard insurance was decidedly the feature of the annual meeting of the American Institute of Actuaries, held in Chicago last Thursday and Friday, an



L. M. CATHLES
New President American Institute of Actuaries

unusual attendance being noted throughout the two-day session and an exceptional amount of interest shown in the program, partly due to the plan of having formal presentation of papers immediately followed by discussions. There were two formal papers on substandard presented, one by Arthur Hunter of the New York Life and the other by Franklin B. Mead of the Lincoln National. Discussion on these papers consumed nearly the entire second day of the meeting, and a special session of the American Life Convention committee on substandard was held on the day following, thus indicating the prominence of this subject in the minds of actuaries. As this was the annual meeting, officers were elected for the coming year, Geo. Graham of the Central States Life, who has presided with his usual ability for two years, being succeeded as president by L. M. Cathles, vice-president and actuary of the Southland Life of Dallas, Tex.

Substandard insurance was given impetus at this meeting, both Mr. Hunt-

er's and Mr. Mead's papers giving an abundance of valuable material for the guidance of the writing of such business, especially directed to the smaller companies. The growth of the underwriting of under-average lives was traced from the origin of the idea to the present practice in this country and the various methods of applying the practices explained were outlined. Mr. Hunter especially stressed the importance of each company selecting its own method according to its peculiar circumstances. It was unfortunate that Mr. Hunter could not be present, but his paper was fully discussed, this opening the floor discussion on substandard, which was given unusual zest, practically every actuary present entering into it. Unfortunately the discussion part of the program is unavailable, as the press was directed to print nothing without the approval of a special committee appointed to handle publicity. The formal papers on substandard combined with the informal papers and the floor discussions, consumed over half of the time devoted to papers.

On the morning following the last session the special committee of the American Life Convention which has been studying the question of insuring underaverage lives held a meeting in Chicago with the intention of formulating a report to be submitted to the annual meeting of the American Life Convention in September. The report will contain a complete survey of the question with practical recommendations to the convention.

Trend of Mortality

Retiring President George Graham opened the first session with a brief paper on the trend of mortality, in which he developed the actual as against the reported trend of mortality. Mr. Graham said that reports have shown improved mortality as being general, but that actual figures prove it only for younger ages, the older ages, notably above 50, showing no corroboration of this fact. Mr. Graham believes that there is improved mortality for the younger ages, but on the contrary the older ages show a slightly less favorable condition, if changed at all. An interesting point made by Mr. Graham was relative to the great increase in automobile fatalities. He said that while the motor accidents had greatly increased, railroad and street car accidents had decreased, so that on the whole there was no change in the total, his suggestion being that for proper treatment of this problem, motor, railroad and street car accidents should be grouped into "transportation accidents."

Change in Procedure

With the opening of the formal program, there was noted a striking change from the usual methods of procedure, as the formal papers had been printed and distributed prior to the meeting, thus enabling the members to prepare their discussion, which was given immediately following the presentation of the papers. Formerly the formal papers were read at one meeting and the discussion opened at the next meeting six months later. As the discussions have been found to develop much valuable material and maintain the interest of all, the change was made at this year's session by Mr. Graham.

The paper on "Surrender and Non-forfeiture Values" by Percy H. Evans of the Northwestern Mutual was the first of the formal papers, Mr. Evans presenting an outline of the development of these features in life policies and the gradual crystallization of statutory requirement regarding them. Mr. Evans said that the surrender value was undoubtedly one of the features that has built life insurance to its present eminent position in this country and justified its existence as equitable to the policyholder who remains, in preference to the one who lapses.

Other Papers Presented

J. Philip Bowerman presented a technical paper on "Fundamental Annuities for Calculating Total and Permanent Disability Reserves Based on Hunter's

FEWER FARM LOANS

COMPANIES REPORT DEARTH

Investments Are Being Turned to Other Avenues as a Result, Rails Being Favored

NEW YORK, June 6.—Life insurance companies that have been partial to farm loans as a medium for the investment of their funds are complaining of the dearth of applicants in such connection, and perforce are investing along other avenues. Bonds of standard railway corporations are prime favorites, these securities at present figures promising good returns. Farm mortgages have for years been held in particular repute; the interest thereupon having been satisfactory, and when the loans are well selected, the default has been almost nil. With the depressed condition of agriculture the farmer apparently is not seeking to purchase additional land, nor is he spending money for permanent betterments to the property he already holds, hence he is not calling upon the life insurance companies for loans with anything like the freedom that obtained during the past few years. With institutions accumulating money so fast as the great life offices, the matter of their investment, having in mind the primary considerations of safety and interest yield, is a problem, the satisfactory handling of which calls for a high degree of ability. In each company can be found financial experts who study economic conditions constantly and are in position to safely handle the large funds entrusted to their care.

Tables and 3 Percent Interest." Charles E. Brooks then presented his paper on "Benefits and Contributions under Retirement Systems." Mr. Brooks told of the benefits of such a system and warned of the necessity of building a retirement reserve during the productive period of the worker, so that it will be available when needed without calling for funds from other sources. Mr. Brooks said that the three distinct benefits from the plan are: Elimination of the superannuated; attraction to the service of persons of desired character and ability, and retention in the service of experienced persons of character and ability. His paper was not technical, but was presented from a standpoint of human interest in the welfare of employees as well as benefit to the business.

The closing paper of the first day's session was that by R. M. Webb of the Kansas City Life, on "An Actual Experience of the Double Indemnity Feature of the Life Insurance Policy." Mr. Webb presented figures on the experience of the company which had acquired a position of carrying \$20,000,000 at risk, covering a period of thirteen years, detailed figures from 1916 to 1921 being given. From this he formulated a table upon which to base calculations and showed the similarity of actual experience to expected.

Discussions of Substandard

J. Charles Rietz opened the second day's program with his paper on "A Review of Some of the Earlier Methods of Surplus Distribution, Some Proposed Methods, and Some Methods Currently in Use by Life Companies in the United States." This paper closed the general topics and the discussion on substandard business was immediately taken up. Arthur Hunter of the New York Life was unable to be present, but his paper was taken up and thoroughly discussed. Mr. Hunter had traced the trend of substandard business and outlined the principles of writing underaverage lives. His was a complete analysis of the various methods in use and the benefits or abuses of each. As his subject "Underaverage Business, with Special Reference to the Problems of a Young

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SURRENDER VALUATION

HISTORY GIVEN BY P. H. EVANS

Development of Cash Surrender and Non-forfeiture Told by Northwestern Mutual Actuary

The history and practice of surrender and non-forfeiture values on life policies was outlined by Percy H. Evans, actuary for the Northwestern Mutual Life, in a paper presented before the convention of the American Institute of Actuaries in Chicago last week. Mr. Evans spoke of this feature as the most important policy provision to the insured, next to the payment of the claim when due. Due to its importance, the conditions of competition and legislation in this country have resulted in its evolution beyond the limit found in any other country. It is now so crystallized in statutory requirements that the companies have very greatly been deprived of freedom of action. From the public viewpoint, the belief is held that the company should return all premiums paid, possibly adding interest, upon surrender, and thus the surrender values will never be wholly satisfactory to the policyholders. It is, however, one of the features responsible for the tremendous growth of life insurance in this country.

Early Growth of Practice

Mr. Evans said that Massachusetts was the first to enact a policy valuation law, that being done in 1858. From this and the reserve tables built as a result, there grew the conception that the reserve share belonged to the insured life. The history of surrender values is obscure in both this country and in Great Britain, but, Mr. Evans says, as early as 1826 Charles Babbage published a pamphlet criticizing the practices and saying that most British companies were willing to purchase their own policies at a price. In this country total forfeiture was a general rule up to about 1860, although a bargain could generally be made if the insured came in before lapse, especially if not in good health. In August, 1860, the New York Life issued the first policy form in this country with a provision for a withdrawal equity. Elizer Wright of Massachusetts began a campaign in 1859 for a general non-forfeiture law in that state, such a law being enacted in 1861. In 1879 New York enacted a law applying to domestic companies, effective in 1880. By this time nearly all policy forms were drawn up to provide for paid-up insurance and in 1879 the Mutual Benefit had adopted a system of term extension values with the option of paid-up. In 1880 Massachusetts adopted a new non-forfeiture law, which contained the first statutory provision for cash surrender value available upon surrender by insured, wife or beneficiary, provided there were no dependent or minor children. In 1900 this law was replaced with one providing a discontinuance charge of 5 percent of the present value of future net premiums. Beginning with 1869, the legislatures of the other states began acting upon this matter with consequent adoption of laws in other states.

Statutory Crystallization

The process of crystallizing practice into statutes was further shown by the action of the Committee of Fifteen, appointed in 1906 by President Roosevelt to draft a proposal uniform insurance law. The code was never wholly adopted by any state, but an influence was seen in later legislation. This code provided for non-forfeiture and surrender, stipulating a form of insurance automatic on default and having a net value equal to the valuation reserve less a surrender charge not to exceed \$25 per \$1,000 of insurance. It also provided for a cash value on surrender within one month after default, with a six months' protection delay for the

company. Mr. Evans pointed out that the important feature of the proposal was that it was left to the company to decide whether the stipulated form should be paid-up or term extension. He said that restriction of company practice on this matter was unwise and unsafe. Mr. Evans then proceeded with a discussion on the basis, amount and duration of the withdrawal or surrender charge. He told of the three year limitation period for surrender values allowed by law and compared the different methods of computing the charge. He said that there was danger of poor risks remaining and good risks lapsing, thus building an adverse mortality experience, and thus companies are justified in giving persistent members the benefit of reasonable surrender charges against those who withdraw.

NEW CHURCH LIFE COMPANY

Is Formed as Running Mate of Church Pension Fund and Is for Episcopal Workers

The Church Life Insurance Corporation, incorporation of which was announced last week, is being formed as a running mate to the Church Pension Fund, the insurer of Episcopal clergy. The Church Pension Fund has been operating for some time to insure clergymen of the Episcopal Church, being supported by a compulsory tax on each parish of 7½ percent of the salary paid its clergymen. The fund now has about \$14,000,000 in invested funds. It is paying about \$500,000 annually to aged and infirm clergymen and widows and minors. This fund, however, has made no provision for others than the clergy, for which reason the Church Life Insurance Corporation was formed in order to furnish insurance at cost for deaconesses or other church workers in the Episcopal Church. The new company is in no sense a substitute for the Church Pension Fund, but is a running mate to it. It will sell all forms of life insurance at rates approximating those charged by the government for converting war risk insurance. The rates will be net plus 1 percent, to pay taxes on the insurance and each applicant will be obliged to pay \$5 for his own medical examination, while the parishes are taxed for support of the pension fund, the premiums on the insurance in the new company will be paid by the policyholders themselves. The Church Pension Fund will give its services free of charge for the administration of the new life company. Its capital will be \$150,000 which will be temporarily provided by the Church Pension Fund. Henry Moir, actuary of the Home Life, has been secured as consulting actuary and the new company expects to be in a position to write business by July 1. The limit at the beginning will probably be \$10,000 on a single life.

Important Policy Loan Decision

A recent decision of the Supreme Court of the United States in the case of the Mutual Life of New York vs. Mary Liebling, appealed from the Supreme Court of Missouri, is of interest to the insurance world generally. In this decision the United States court held that an insurance contract made in Missouri is governed by the law of the locality, and therefore affirmed the decision of the Missouri court which found in favor of the beneficiary and against the company.

The case involved a policy on which a loan had been made, neither the loan nor the premium being paid at the expiration of the year. The company cancelled the policy, applying the surrender value to the loan, under the New York law. The insured died the following year and the widow brought suit holding that the Missouri and not the New York law applied, which contention is now upheld by the court of last resort.

The Atlantic Life of Richmond, Va., has made application for license in Ohio.

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SUBSTANDARD BUSINESS AND YOUNG COMPANIES

Application of This Phase to Smaller Organizations Treated by Arthur Hunter

OUTLINES PROBLEMS MET

New York Life's Actuary Gives Valuable Paper to American Institute of Actuaries in Chicago

A valuable treatise on the subject of substandard insurance, from the standpoint of the advisability of a small company writing it, was given the American Institute of Actuaries, in session in Chicago last week, by Arthur Hunter of the New York Life. Mr. Hunter gave the younger companies a wealth of material on the question of writing underaverage risks, making no definite suggestions, but pointing out the difficulties encountered and leaving application to the individual company to fit the peculiar conditions of each company. Of special value was his outline of the various means of meeting the extra mortality, lien, premium increase, and advance in age being explained and illustrated with premium calculations. First taking up the question, "Should a young company insure underaverage risks?" Mr. Hunter said:

What Should Young Company Write?

"The answer to this question will depend on the number of years the company has been in existence, its financial standing, and the ability of the officers to handle the problems connected with underaverage lives. The officers of a company which has been in existence for a very few years would be well advised to confine the writing of business to standard lives, and in the meantime to collect all possible information regarding substandard risks. There are likely to be wider fluctuations in the mortality experienced among substandard lives than among standard lives. Assuming that the company's financial position would enable it to stand a heavier relative mortality for a few years among the former than among the latter, the first step is to determine whether or not the organization is equipped to prepare the necessary plans and to make a selection based on knowledge and not on impressions? In some of the younger companies the business is not large enough to employ a medical director for his whole time, and accordingly a practicing physician is put in charge of the selection of risks. Such a physician is inclined to look upon each life as an individual, instead of as one of a group; and many have neither the time nor the inclination to make a thorough study of the literature covering the selection of risks.

Information Necessary

"The first matter, therefore, which should be considered in determining the advisability of issuing underaverage policies is: Have the necessary statistics been collected and thoroughly analyzed? Are the medical and actuarial departments in position to base their plans on the best available information, and have they sufficient knowledge to use correctly such information? Are the medical director and the actuary ready to co-operate intelligently and frankly? If so, and if the company's financial standing is beyond peradventure, an underaverage business on conservative lines may be undertaken. It may be best to enter the field gradually, taking up, in the first place, the more common impairments on which

CHOICE OF DIVIDENDS

MUTUAL BENEFIT'S FIGURES

Comparison Made Between the Classifications for the First Three Months and Last Year

The Mutual Benefit Life gives some interesting information regarding its various dividend plans for the first three months of this year compared with last year. The Mutual Benefit incorporated the accumulation plan in its policy contract, the new policies going into effect Jan. 1, last. The following table shows the number of policies issued on each of the four dividend plans and the percentage which such number bears to the total issue:

Three months, 1922		
Plan	Policies	Percentage of total
Premium reduction.....	5,315	43.8
Accelerative endt.	4,760	39.2
Accumulation	1,497	12.3
Addition	562	4.6
Totals	12,134	100.0

Year 1921		
Plan	Policies	Percentage of total
Premium reduction.....	19,474	43.1
Accelerative endt.	22,844	50.6
Accumulation	10	6.
Addition	2,853	6.3
Totals	45,181	100.0

The Mutual Benefit says:

"The figures show that the accumulation plan has reduced materially the percentage of policies issued on the accelerative endowment plan; but, if it be taken into account that the accelerative endowment plan has always been much more popular than the addition plan, it will be found that the addition plan, so far as the percentages go, has contributed slightly more to the accumulation plan than has the accelerative endowment plan. In the first three months of 1922, 39.2 percent of the issues were on the accelerative endowment plan; whereas, in 1921, 50.6 percent were on that plan. The percentage for the three months of 1922 was 77 percent of that for 1921. Turning now to the addition plan, it will be seen that the percentage of total issues on the addition plan in the first three months of 1922 was only 73 percent of the percentage on the addition plan in 1921. The figures, therefore, indicate that the accumulation plan has drawn from both the accelerative endowment and the addition plan in about the same proportion. The fact that the accelerative endowment plan has always been somewhat more popular than the addition plan makes the reduction in the percentage of business applied upon the accelerative endowment plan much more apparent than in the case of the addition plan."

reliable statistics are obtainable, and extending the scope to other impairments as experience is gained.

Sources of Necessary Information

"There is now available a large amount of information for the conduct of underaverage business. I find frequently, however, that many who ask for information have not studied the existing material on the subject. Such material appears principally in the 'Transactions of the Actuarial Society of America,' and the 'Proceedings of the Association of Life Insurance Medical Directors,' but, unfortunately, the latter are not printed for public distribution. Too often the mistake is made of reading the original paper without studying also the discussion thereon. In the course of the discussion are given not only the opinions of actuaries and medical directors regarding the point of view of the writers of the papers, but often the experience of other companies. I therefore strongly urge all those who are looking for information as to the treatment of under-

(CONTINUED ON PAGE 4)

COMPANY IS ABSORBED

TAKES OVER THE COMMERCIAL

Mutual Life of Illinois Has Reinsured Its Accident and Health Insurance Running Mate

The consolidation of the Commercial Health & Accident with the Mutual Life of Illinois, both of Springfield, Ill., has been completed and a rider of assumption issued to policyholders of the former. The two companies have been under the same management since the organization of the health and accident company and have been quartered in the same offices, recently having moved into a new home office building in Springfield. H. B. Hill was president of both companies and continues as president of the Mutual Life. Dr. J. R. Neal, medical director of the Mutual Life, was an officer in the Commercial Health & Accident and F. M. Feffer, who was secretary of the Commercial Health & Accident, becomes vice-president and manager of the health and accident department of the Mutual Life.

Company Is Strengthened

The Mutual Life of Illinois is an old line, legal reserve company with capital stock of \$200,000. The combination of the two companies greatly increases the strength and security back of the policies. The agreement between the two companies was carried through under the supervision and approval of the insurance department of Illinois. The Mutual Life announces that there will be no change in the methods of operation in the health and accident department and no rate changes. The Mutual Life intends to push the health and accident department and is taking Mr. Feffer over into the new organization to manage it. The officers of the Mutual Life of Illinois are H. B. Hill, president; James Fairlie, first vice-president and actuary; N. H. Walt, second vice-president and agency director; and Dr. J. R. Neal, secretary and treasurer.

The Mutual Life of Illinois made fine progress since it was organized by President Hill. Mr. Hill was widely known among insurance men and had a long field training before he became an executive. The Mutual Life of Illinois is very capably managed. He recently established a health and accident department looking toward the reinsurance of the Commercial Health & Accident.

Chicago District Roundup

A testimonial of \$22,000,000 of new business was presented to Vice-President T. A. Buckner at the annual roundup of the Chicago districts of the New York Life last week. There were 550 New York Life agents present. While this great testimonial was the feature of the meeting, the agents were given a full day's program of educational material by the home office officials present and by the Chicago agency supervisors, special attention being given to the company's plans and purposes, and an outline of the policy forms. The agents were given the details of the New York Life's withdrawal from Europe and told that the company had "returned home" and will concentrate its efforts in North America hereafter. In addition to the talk by Vice-President Buckner, there were talks by Dr. Oscar Rogers, medical director and Secretary William Pearson. The meeting was a fitting opening for the June campaign of the Chicago district, June being "Kingsley Month" for New York Life agents. An effort is being made to establish a new high mark for new business this month. The Chicago district has been setting new production marks this year and expects to make June a record month.

FIDELITY MUTUAL'S LEADERS AT MEETING

Star Producers of Philadelphia Company in Annual Session at Atlantic City

GROGAN NEW PRESIDENT

Inspirational Addresses and Talks on Live Selling Topics Feature Big Convention

ATLANTIC CITY, N. J., June 7.—For three days this week Fidelity Mutual field representatives were assembled in this seaside resort at a combined convention, sales congress, social gathering and picnic. They came from the head office in Philadelphia and from every section of the United States. It was the culmination of a year of striving—a reward for duty well done—for the men and women who met here are members of the Fidelity Leaders' Club. And membership in this club can be achieved only on the basis of a stated requirement in new cash premiums.

The first day, Monday, was given over to a conference with Fidelity managers, morning and afternoon sessions being devoted chiefly to a discussion of organization and conservation work. The actual convention of the Leaders' Club was opened Tuesday morning by Frank H. Sykes, manager of agencies, followed by an address of welcome from Samuel Leeds, president of the Atlantic City Chamber of Commerce.

New Officers Installed

The club's retiring president, Frank L. Bettger of Philadelphia, then addressed the convention, after which Walter Le Mar Talbot, president of the company, offered a few words of greeting and congratulation. In connection with installation of officers Prof. John Dennis Mahoney spoke in glowing terms of the Leaders' Club, which was founded March 1, 1903, and to which "many are called but few are chosen." No partiality is shown in this organization, however, for even the officers and directors are self-elected, the official honors being accorded to the 15 members of highest standing as salesmen.

The following were installed: President, "Patsy" J. Grogan of Johnstown, Pa., retiring vice-president; vice-president, Clayton M. Hunsicker, whose term as president of the Philadelphia Association of Life Underwriters expired a few days ago; second vice-president, Robert J. Seiberlich, Minneapolis; secretary, Karl Collings, Philadelphia; treasurer, E. S. Freeman, Raleigh, N. C.; directors: Wilson Slick, Johnstown, Pa.; R. C. Grimes, Topeka, Kan.; S. H. Gettis, Washington, D. C.; A. C. Walker, Atlantic City; R. A. Locke, Pittsburgh, Pa.; F. P. Danzillo, Greater New York, who led the April honor roll; Jacob Golden, Detroit, Mich., retiring as treasurer; W. G. Backus, San Francisco; W. A. G. Linn, Pittsburgh, and B. F. Fraser, Jr., Atlanta, Ga.

Following the installation of officers, W. S. Campbell, first secretary and solicitor for the Fidelity Mutual, spoke on "Helping the Other Fellow."

Good Life Income Talks

Tuesday afternoon's program was opened by F. W. Hagen, who gave a good talk on "The New 'Income for Life.'" He was followed by Frederick A. Wallis, manager for Greater New York, who recently retired as immigration commissioner for the port of New York. Manager Wallis discussed "The Underwriter or the Undertaker," speaking on behalf of life income for self as

contrasted with what he terms the "graveyard policy." Mr. Wallis, who usually carries in his pocket a miniature coffin and skeleton to emphasize his appeals, told what his agency is doing in New York, and exhibited literature picturing a bank vault and a cemetery vault, under which was written: "At which vault do you cash in?"

Following this was a pointed address on "Selling the 'Income for Life' to Professional Women," by F. J. Durgin of Springfield, Mass. Tuesday's program was rounded out by one of the inspirational talks for which Harry C. Spillman is famous. Mr. Spillman, who is manager of the Educational Department of the Remington Typewriter Company, combined wit, eloquence and friendly advice under the subject "Elements of Greatness in Selling."

Evenings Devoted to Entertainment

No sessions were held Monday evening nor Tuesday evening in order to give the underwriters an opportunity to promenade the Great Wooden Way and enjoy as much as possible ocean bathing and the other attractions of Atlantic City. Wednesday morning's session was opened with an excellent presentation of "Head Office Service via Field Cooperation," by Charles G. Hodge, secretary of the Fidelity Mutual.

F. W. Heron of San Francisco, supervisor of the Pacific Coast district, took for his topic "The Twofold Purpose of Income Insurance." Mr. Heron, who has addressed a number of sales congresses in California on this subject, emphasized the distinction between income for self and income for beneficiary, declaring underwriters should concentrate on these two forms far more than they do, for the benefit of the insured, the company and themselves. He spoke with force and enthusiasm for more than an hour and packed every minute with eloquent sales arguments. He was followed by Herbert W. Hess, professor of commerce, and head of the department of advertising and salesmanship, University of Pennsylvania, on "The New Era of Scientific Selling."

Hunsicker on Business Insurance

Wednesday afternoon "Clay" Hunsicker, who is a past master in selling business life insurance, pleaded for "Life Insurance to Fortify and Perpetuate a Business," citing the large number of businesses which have been broken up during the past generation through the lack of a little foresight. Mr. Hunsicker said the widow of a deceased partner is a doubtful factor at best. He made the point that when the partner in an unprotected firm dies or resigns, the survivor, if he desires to continue the business himself, is forced to raise money to buy out the share of the deceased at the very time when he, the survivor, needs additional cash to compensate for the loss of business brains.

Following Mr. Hunsicker was a general discussion of life insurance (a) for partnerships and small businesses, (b) for corporations, and (c) in relation to bank credits. George H. Wilson, general counsel for the company, then took up the subject of "Modes of Settlement and Trust Agreements."

Crisp Five-Minute Talks

Five-minute talks giving crisp selling points, illustrations and workable ideas were given by Frank L. Bettger of Philadelphia, Thomas M. Green of Baltimore, S. A. Moyle of New Haven, S. H. Gettis of Washington, D. C., B. F. Fraser, Jr., of Atlanta, Miss E. Daves of Louisville, H. L. Higgs of Memphis, Miss E. H. Moran of Syracuse, Miss S. L. Miller of Atlantic City, W. F. O'Connor of Syracuse, W. A. G. Linn of Pittsburgh, Edgar Clark of Seattle, E. R. Paxton of Stockton, Cal., and Hugh Brown of Columbia, S. C.

The Heron trophy, the application-a-week medal and the allotment contest awards were presented at the close of business sessions, Wednesday afternoon. The final event of the convention was "Fidelity Night," given in Haddon Hall, across the street from the Chalfonte

SUBSTANDARD AND YOUNG COMPANIES

(CONTINUED FROM PAGE 3)

average lives to read carefully the discussion of the original papers.

Meeting Extra Mortality

"The three principal methods of meeting extra mortality, in use in this country, are a lien against the amount payable at death; an extra premium; an advance in age. In some companies two of these plans are in use, and an attempt is made to fit the method to the individual case. For example, where the extra hazard is expected to be experienced largely in the early years and to disappear rapidly thereafter, a lien method is used; and where there is an occupation hazard which is considered to be a constant irrespective of age, the extra premium method is convenient. In general, however, the disposition seems to be to adopt one method for all types of hazard, partly for the sake of simplicity, and partly because sufficient data are not available to determine the incidence of the mortality for each impairment. Among under-average risks as a whole, the ratio of the extra to the normal mortality decreases with the duration of the policies.

Use of Lien System

"At one time there was a feeling in this country that the best method of providing for extra mortality was by means of a lien decreasing by the premiums paid. There has been in recent years a marked loss in the popularity of that method. This may be due to a realization that a decreasing lien of reasonable size does not meet a high mortality and to the complications of a lien system. In certain companies it may be largely due to the fact that deferred dividend policies are not now issued and accordingly the combination of a lien with a special dividend class is no longer possible.

Methods Employed

"There are several ways of measuring the extra mortality which can be borne by a lien. One of these methods assumes that the same percentage of extra mortality is carried throughout the life of the policy—a condition which is seldom, if ever, met in practice. Another method assumes that the extra mortality is a uniform percentage for a number of years, that it then disappears and that the lien continues during the period of extra mortality only. A third method assumes that the extra mortality decreases with the duration of the policy and can be borne yearly by the lien until the lien is wiped out, and that therefore the normal mortality is to be expected. These methods are illustrated as follows:

Method A
Additional mortality borne by liens, on assumption that extra mortality continues during life of policy, lien reduced annually by annual non-participating premium.

Plan of Insurance	Lien per \$1,000	Percentage of American men select table borne by lien	
		Lien reduced annually by	Age at issue
Ord. life....	\$250	\$16	20 40 60 20 40 60
Ord. life....	500	16	27 65 5 3 2
Ord. life....	750	16	27 65 23 16 11
20-pay. life.	250	24	35 67 4 3 2
20-pay. life.	500	24	35 67 18 15 13
20-pay. life.	750	24	35 67 54 56 48
20-year end.	250	42	45 70 7 4 2
20-year end.	500	42	45 70 35 25 14
20-year end.	750	42	45 70 151 109 51

Method B
Additional mortality borne by liens, on assumption that extra mortality con-

Hotel, where the other meetings were held. An informal program of entertainment and good fellowship included dancing, music, some clever parodies and refreshments. Business cares were laid aside and memories were stored up to form incentives for success the coming year—for success will mean a seat in next year's convention.

tinues for ten years only, lien reduced annually by amount equal to one-tenth of lien, reduction commencing at end of first year.

Plan of Insurance	Lien per \$1,000	Lien reduced annually by	Percentage of American men select table borne by lien					
			Age at issue					
Ord. life....	\$250	\$25	20	30	40	50	60	
Ord. life....	500	50	18	16	17	17	19	
Ord. life....	750	75	41	41	40	41	48	
20-pay. life.	250	25	18	18	17	18	20	
20-pay. life.	500	50	42	43	43	45	50	
20-pay. life.	750	75	83	83	81	88	105	
20-year end.	250	25	21	21	20	19	20	
20-year end.	500	50	53	53	49	48	52	
20-year end.	750	75	110	107	98	98	110	

Method C

Lien considered as applicable to extra risk of each year lien reducible annually by non-participating premiums.

Policy year	Age 20			Age 40		
	Initial amount of lien			Initial amount of lien		
	\$250	\$500	\$750	\$250	\$500	\$750
Ordinary Life						
1	31	94	276	29	90	261
2	28	89	261	25	83	243
3	26	85	248	21	77	226
4	24	81	236	18	71	210
5	21	77	224	14	65	196
10	11	58	177	..	38	136
15 ....	..	43	142	..	15	90
20 ....	..	29	114	..	..	50
25 ....	..	16	90	..	..	17

Twenty-Payment Life

1	29	91	265	27	87	251
2	26	85	248	23	79	231
3	22	79	232	18	71	213
4	19	73	217	14	64	196
5	16	68	205	9	57	180
10	1	44	151	..	25	116
15 ....	..	23	112	..	..	64
20 ....	..	3	80	..	..	15

Twenty-Year Endowment

1	27	88	260	26	85	248
2	21	79	240	20	76	226
3	16	70	220	14	67	206
4	10	62	203	9	58	188
5	5	54	188	3	49	170
10 ....	..	15	121	..	9	97
15 ....	..	..	57	..	..	29

Suggestions Are Made

"If we had a group where the extra mortality was expected to be the same percentage of the normal mortality during the life of the policy it is clear from table A that a heavy lien would be necessary to cover a comparatively light extra mortality.

"As there are cases in which the extra mortality is expected to continue for several years only, and as some companies would like to cover the extra hazard by means of a lien, table B gives the percentage of extra mortality which can be borne on the assumption that such extra mortality continues as a uniform percentage for ten years only, and that the lien is reduced by one-tenth each year.

"It will be noted that under table C a substantial extra mortality is carried in the early policy years. This method is specially applicable to groups in which the extra mortality decreases steadily and finally disappears, and in determining the groups to which it is applicable the mortality by policy years should be analyzed. It is not so applicable to risks in which there is a high extra mortality for a few years, such as in applicants with a history of gastric ulcer, unless the lien is very substantial, is constant, and is eliminated within a comparatively short time. Nor are liens satisfactory in the case of an extra hazard which persists or tends to increase, such as marked overweight at the younger ages at entry, or a history of syphilis.

Insurance Easy to Place

"The lien system has the merit of creating a selection in favor of the company and of making the insurance easier to place among the better grade of impaired risks, those who have faith in their longevity, but objections are occasionally made that full protection is not given when most needed.

"In the question of the modification

which should be made in cash values, paid-up values, and term extension the problem is to determine an approximate method which will give justice to both the policyholders and the company under the different types of liens. It can readily be seen that the reserve is a different one under each lien, and that in order to obtain the theoretically correct reserve the expected mortality under each lien should be taken into account. In determining the amount of paid-up insurance and the duration of the extended term insurance account should be taken of the expected mortality. Under method B the reserves in the early years would be higher than the normal but would be the same as the regular reserve after ten years.

"Under the method C of considering the lien for each year as applicable solely to the additional risk of that year, John K. Gore considers that no change in the reserves or cash surrender values is required. The paid-up values, however, should have charged against it a proportionate part of the outstanding lien while the lien outstanding should be charged against the extended insurance.

Extra Premiums

"As already intimated, the extra premium method may be used most successfully in the case of certain occupation hazards which are considered to be constant. It is also specially adapted to any other impairment in which the hazard is constant irrespective of age. In many companies the extra premium method is used for impairments which are represented by a uniform percentage of the tabular mortality and accordingly the following tables cover 150 percent, 200 percent, and 250 percent mortality as well as ten extra deaths per thousand per annum.

Nonparticipating Plan Usually Followed

"Before calculating the extra premiums it must be first determined whether these shall be participating or non-participating and whether any allowance should be made for additional surrender value. The general practice is to make such extra premiums non-participating, and not to grant additional surrender values. Under these conditions a loading of 10 percent to 20 percent for all expenses, including commissions is customary. The calculations, based on the American Men Select Table with $3\frac{1}{2}$ percent interest and without loading, are as follows:

For Life Policy

Net extra premiums per \$1,000 for additional mortality.

Age at issue	Ordinary Life			Extra deaths per 1,000 per annum + 10 deaths
	+ 50 percent	+ 100 percent	+ 200 percent	
20	\$ 2.70	\$ 5.20	\$ 7.50	\$ 8.00
30	3.50	6.70	9.50	7.60
40	5.30	9.90	14.20	7.30
50	8.70	16.50	23.70	7.20
60	15.30	29.10	41.90	7.10

Twenty-Payment Life

20	\$ 3.40	\$ 6.30	\$ 9.00	\$ 3.40	\$ 6.30	\$ 9.00	\$ 3.40	\$ 6.30	\$ 9.00	\$10.20
30	3.90	7.10	10.00	3.90	7.10	10.00	3.90	7.10	10.00	9.10
40	5.00	9.20	12.90	5.00	9.20	12.90	5.00	9.20	12.90	8.00
50	7.60	14.40	20.70	7.60	14.40	20.70	7.60	14.40	20.70	7.20
60	13.80	26.80	30.10	13.80	26.80	30.10	13.80	26.80	30.10	6.90

Twenty-Year Endowment

20	\$ 1.20	\$ 2.40	\$ 3.60	\$ 1.20	\$ 2.40	\$ 3.60	\$ 1.20	\$ 2.40	\$ 3.60	\$ 6.00
30	1.40	2.90	4.30	1.40	2.90	4.30	1.40	2.90	4.30	6.00
40	2.50	5.00	7.50	2.50	5.00	7.50	2.50	5.00	7.50	6.00
50	5.50	11.00	16.60	5.50	11.00	16.60	5.50	11.00	16.60	6.20
60	12.70	25.10	37.20	12.70	25.10	37.20	12.70	25.10	37.20	6.60

For 10 Years

Net extra premiums payable for ten years only to cover extra mortality for ten years and normal thereafter.

Age at issue		+ 50 percent	+ 100 percent	+ 150 percent	Extra deaths per 1,000 per annum + 10 deaths
Ordinary Life					
20	\$ 1.80	\$ 3.60	\$ 5.50	\$ 9.30	
30	2.00	4.00	6.00	9.10	
40	3.10	6.10	9.10	8.80	
50	6.20	12.20	18.20	8.30	
60	13.00	25.60	37.90	8.00	

(CONTINUED ON PAGE 14)



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MISSISSIPPI'S RECORD

SMALLER VOLUME IN FORCE

Fair Amount of New Business Written
in 1921 and Present Year Indicates
Improvement

Compilation of the transactions of 45 life companies in Mississippi in 1921 shows figures of these companies on file in the insurance department. Those companies had \$284,484,432 insurance in force in the state at the beginning of the year. At the close of the year they had \$276,423,683 in force.

Premium collections for the year amounted to \$9,889,468, while the companies paid out in death claims \$2,809,240, or a little more than 1 percent of the mean amount of insurance in force. There is no way of ascertaining from the annual statements of the companies the expected mortality in a given state but the above comparison would indicate that, taken in the aggregate, the companies experienced a very favorable year in the Magnolia state from the standpoint of mortality.

State's Mortality Experience

The prevailing opinion with many companies has been that the state yields a high mortality. Responsibility for this impression is partly attributable to the disastrous experience of the Prudential some years ago. In this connection it is noteworthy that Dr. Frederick L. Hoffman, vice president and statistician of the Prudential, has written a report dealing with conditions in Mississippi, in which the state is fully exonerated from the blame for the Prudential's heavy loss and is given a clean bill of health.

New Business for Year

New business in Mississippi last year amounted to \$59,650,594, which is a very good figure considering the period of deflation through which the entire country was passing. Managers and agents declare that new business for 1922 is already ahead of that produced in the corresponding months of 1921, with nearly every company enjoying a more favorable persistency.

The largest net gain of business in force in Mississippi in 1921 was made by the Lamar Life of Jackson, which has 93.2 percent of its total insurance in force on the lives of Mississippians. During the year, its mortality was 41.3 percent of the expected. New business for 1922 is coming in in very satisfactory volume, according to the officers of the company, who also declare that the lapse ratio is lighter this year than last.

Old Line Life Men at Watertown

Rupert F. Fry, president, and Frank Tharinger, assistant secretary of the Old Line Life, accompanied by Arnold A. Naulin, lecturer on salesmanship at Marquette University of Milwaukee, visited at Watertown, Wis., last week. A meeting was held at the city hall with Judge Woodard presiding. President Fry conveyed a real heart-to-heart message to the stockholders and policyholders assembled. He congratulated the Watertown branch, of which T. A. Wondreyka is manager, and mentioned also that W. C. Stone of that city is chairman of the executive committee of the company.

Personal service was the subject of the talk made by Mr. Naulin, who made a convincing appeal for a return to the fundamentals of business and the ignoring of abnormal tendencies. "So-called 'good times' with its flush money gives us comfort, but it does not give us strength. The business world passes from one cycle into another and should always be prepared for the change. These comforts often weaken to such an extent that the vitality for the change is not present and the result is generally disastrous."

TO GET NEW BUILDING

MERGER IS NOW COMPLETED

Chicago National Life Assumes Policies
and Agents of Gary National—
Will Soon Move

Negotiations are now being made by the Chicago National Life for a new home office building on North Michigan avenue, the building to be called Chicago National Life Building. A four or six story structure is to be secured a few blocks north of the Wrigley Building in the heart of the district into which several insurance companies have recently moved and the Chicago National Life will occupy at least one complete floor of the building. The definite location will be known in a few days and the company expects to move into its new quarters in 30 days.

Merger Is Completed

This enlargement of quarters is partly due to the reinsurance by the Chicago National of the business written by the Gary National Life of Gary, Ind. The reinsurance deal between these two companies has been completed in so far as the Indiana department is concerned. The apparent delay in the reinsurance deal is accounted for by the Illinois law which requires a 30-day notice to stockholders in this state before a rider of assumption can be issued to policyholders. As the time limit is not yet passed, the reinsurance deal is not officially completed in Illinois, but has been approved by the Illinois department as well as the Indiana department. The deal involved \$4,500,000 of business written by the Gary National, approximately \$4,000,000 of which is renewable business and means an immediate addition to the strength of the Chicago National Life. The Chicago company also assumes the \$140,000 reserves held by the Gary company.

Takes Over Agents Only

None of the officers or stockholders of the Gary National have been taken over by the Chicago company, the only part of the working force assumed being the agency force, together with the superintendent of agents, A. E. Johnson, who is now in the Chicago office. There are 35 agents whose contracts have been taken over, assuring an additional production of \$1,000,000 a year. The records of the Indiana company will be moved to the Chicago office in the new headquarters on North Michigan avenue, though agency headquarters for Indiana will be maintained at Gary. The Chicago National Life received its license from the Indiana department last week and is now writing business in that state.

Provident Life & Accident Increase

Secretary Cartinhour of the Provident Life & Accident of Chattanooga in checking up the figures for the first five months finds that the production for May in all departments exclusive of the life department exceeded May, 1921, by 35 percent. The life department showed an actual increase but the total figures are not available. The railroad department showed an increase of 60 percent in May and the total increase for the first five months is 34 percent. The commercial and monthly accident department wrote more business during May than has been produced in any previous month during the past 14 months. The franchise department showed 33 percent increase the first five months. The life department during May appointed about four large producers in different sections of the country. The new compensation and automobile liability departments have just started functioning.

Through the Westinghouse broadcasting station at Newark, Dr. Franklin C. Wells of the Equitable Life, gave a health talk Tuesday night.

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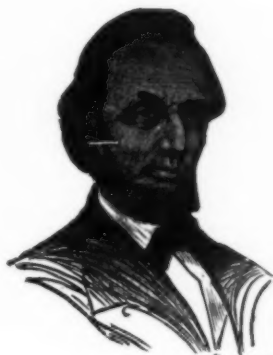
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THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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Educational Service

THE quality of real service in life insurance work is well illustrated in the special month that is being observed by agents of the **EQUITABLE LIFE** of New York. This is called "Educational Month." Agents are asked to specialize on education endowment policies. This is not a new venture by any means, as this form of insurance and its application have been in vogue for a number of years. However, it gives the agents a definite line along which to travel. They are asked to search out prospects who have young children and who are ambitious to have them well educated. Many a child is deprived of a liberal education because the parents cannot afford to pay the price. It takes money to send a child through the upper school and college. The parents could afford,

however, to set aside perhaps \$200 a year for educational purposes. The endowment is made to mature at the age when the parent feels that the educational fund will be needed. It then can be paid in installments to meet the demands of the case.

The point we desire to make is that a campaign of this kind illustrates the great service the agent is able to render to mankind. He is able to combine a vocation from which he makes his living with a work that is constructive and highly beneficial. The life agent is serving mankind in a way that brings great benefit to civilization. The educational endowment policy is a most valuable one. Other companies might well specialize on "Educational Month." It is worth while.

Women as Prospects

LIFE insurance men in the larger cities say that women of means are buying more life insurance than ever before. One big producer in discussing this said: "Women are certainly better prospects than they used to be. I don't know just why this is, but it is a fact. Women have the vote, they are serving on the juries, they are active politically, and they are taking a much more independent attitude. They are more businesslike in everything that they do. I find that when I approach a woman regarding life insurance she is often somewhat flattered. It tickles her vanity to be offered the same sort of a business proposition that would be presented to a man. At any rate, the idea of buying a life insurance policy of her own seems to appeal to the

average woman of the present day.

"There are a great many women who are first rate prospects that are ordinarily missed by life insurance men. I am talking about the wives of wealthy business men. I do not mean the shop girl or the stenographer or the private secretary. Instead, every large city is full of women whose husbands have plenty of money, who are prominent socially, and able to buy just about anything they want. These women are good life insurance prospects. It does not make any difference whether their husbands have taken out life insurance or not, these women will buy for themselves. I ask any life insurance man who does not believe it to solicit a few of them. The results will surprise them."

What an Agent Has to Do

IT is true that people do not have to be convinced today as they did some years ago that life insurance constitutes one of the great safeguards in the way of business and family protection. The people are convinced that life insurance is the best available means of creating an estate. They believe that it does what the agents say it will do. In other words, the life insurance system has impressed itself on the public mind with so great force and convincing power that it needs no argument or defense.

The life insurance agent therefore in his work has to convince the prospect that he can afford to purchase insurance. The agent is called upon to show the prospect that he can better afford to purchase life insurance than he can something else. The agent must convince him that life insurance will do for him more than any other kind of an investment. The suc-

cessful life agent must have a sufficiently keen imagination to portray the situation to the mind of the prospect that would confront his family were he suddenly to go far into the Great Shadow. It is a matter of financial calculation. In other words, life insurance has become purely a business proposition. The life insurance agent is not considered a bore as he was in days gone by. He has something to sell just as the investment broker, the real estate man, or anyone else that is in the investment field.

The effective life insurance salesman sits quietly down with his prospect, talks over his situation in a businesslike way, shows him what life insurance can do and tries to convince him that for the amount of money required, it will create for him a larger and more satisfactory estate than he can expect to create through other means.

PERSONAL GLIMPSES OF LIFE UNDERWRITERS

President **John M. Stahl** of the Farmers National Life of Chicago, left this week on an extended vacation in the east. Mr. Stahl had a severe accident in January and has had difficulty in recovering. He will be accompanied by Mrs. Stahl and their son. They will go on a motor trip first stopping at Wellesley College from which their daughter, Mary Edith Stahl, graduates this month. She won the Durant scholarship when a junior and during her senior year has been the student head of baseball. The Stahls will spend several weeks motoring to places of interest. Among the notable stops will be Philadelphia, where President Stahl will visit the girlhood home of his mother. He will also go to Lancaster county, Pa., in which President Stahl's ancestors on his father's side settled, coming from Berne, Switzerland, in 1711. They will also go to Hagerstown, Md., to visit the farm that was owned by Henry Stahl, Sr., in 1742. Henry Stahl, Sr., and his five sons served in the Revolutionary War under Washington. One of these sons, Henry Stahl, Jr., served in the War of 1812. President Stahl has the powder horn and bullet mold carried by Henry Stahl, Sr., in the War of the Revolution. Henry Stahl, Jr., was president Stahl's great grandfather.

Henry E. Tank, assistant manager of the life department of the Travelers in Chicago, is back at his desk again after an absence of nine weeks. Mr. Tank was laid low with bladder trouble, and had to spend three weeks in the hospital. He has had a long siege of it, but is now in good physical condition again. Mr. Tank is one of the old timers with the Travelers who has always done splendid work for the company.

Thomas J. Houston of Chicago, insurance superintendent of Illinois, leaves this week for San Francisco, where he will take part in the Shrine convention. Mr. Houston is one of the national officers, being with the imperial outer guard of the Shrine. At this convention undoubtedly he will move upward and be captain of the outer guard. Following the convention at San Francisco Mr. Houston will go to Honolulu and spend some time there, the Imperial Divan of the Shrine making this as a side trip. Mr. Houston will be accompanied by Mrs. Houston and his daughter. Miss Houston is graduating this month from Ferry Hall, Lake Forest, Ill., and her father is giving her the trip as a commencement present. Mr. Houston will not return to Chicago until July 8.

E. S. Albritton, of Weems & Albritton, Dallas, Tex., state manager of the Minnesota Mutual Life, has been doing something in the way of personal production. Mr. Albritton was superintendent of agents and vice-president of the company, leaving his position to go into the general agency business Jan. 1. His production during the first five months was as follows: January, \$132,750; February, \$100,500; March, \$132,250; April, \$48,500; May, \$101,000. This makes a total of \$515,000. The agency itself has written over \$2,000,000 in five months. The Weems & Albritton agency has moved to the fourth floor of the Magnolia building in Dallas, occupying the entire west wing.

In honor of the fiftieth birthday of Vice-President and Manager **Arthur F. Hall**, Lincoln National agents waged a campaign through May which produced \$12,903,182 of written business. This is \$1,661,548 ahead of the May production of 1921, which has been the record month of the company up until this time.

Birthday greeting cards to be mailed in to Mr. Hall were sent out to all Lincoln Life agents during the last

week in April, and more than \$5,000,000 of business was represented in the greeting cards which were placed on Mr. Hall's desk on his birthday, May 11.

Lincoln Life production for the first five months of this year is \$4,189,641 ahead of the business written the first five months of 1921.

The record of the Detroit Life in new business for the month of May, 1922, is \$1,248,000. This compares with \$1,003,000 in May, 1921. The total new business so far this year is \$6,077,000, against \$4,279,000 for the same period of 1921, an increase of \$1,798,000, or 42 percent over last year.

The Detroit Life is conducting a special contest during June in honor of President **M. E. O'Brien** and hopes to achieve a record of \$1,500,000 of new business for this month.

The directors of the Detroit Life have declared a dividend of \$1.50 per share payable July 15.

Clifton Maloney, president of the Philadelphia Life, was guest of honor Wednesday, when his company's Philadelphia agency force—members of the Plico Club—tendered him a reception and presented him with 50 big roses in honor of his birthday. Headed by James N. Stringer, the company's first agent and the club's first president, a squad of Plicos marked into President Maloney's office flourishing miniature brooms as a symbol of their determination to "sweep the city" with a record-breaking volume of business this month, which is known as "President's Month."

John B. Chaddock, one of the organizers and the first president of the Detroit Life, died the other day at Ypsilanti, Mich. Mr. Chaddock served as president until June, 1911. He remained on the board, however, until ill health compelled him to resign.

J. H. Nickell, district agent at Alton, Ill., for the Bankers Life of Iowa, had his foot stepped on at a recent street carnival in his home town. The owner of the offending foot apologized, a conversation followed and the up-shot of the chance acquaintance was two good applications, one from the chance acquaintance and another from a friend of the chance acquaintance.

B. Lewis Burwell, of Atlanta, formerly superintendent of agents for the Life Insurance Company of Virginia at Richmond and also at Atlanta, died in Atlanta June 1, aged 50.

Mrs. Florence P. Clarendon, who for sometime past has edited the attractive little organ of the Home Life of New York, is also responsible for an interesting series of articles on life insurance subjects appearing in the "Magazine of Wall Street." The articles in question are written for the benefit of the uninitiated, and in simple untechnical style set forth the advantages of the various forms of life insurance contracts as written by the legal reserve life companies. The articles have attracted considerable attention and unquestionably have been the means of inducing many uninsured to seek protection.

Bolling Sibley, general agent of the Penn Mutual at Memphis, Tenn., immediately following the recent anniversary meeting of agents of his company at Philadelphia went to Johns Hopkins Hospital, Baltimore, Md., for an operation for thyroid trouble. His quick recovery seems assured, though this will keep him in the hospital about three weeks. Mr. Sibley is a Rotary Club delegate from Memphis to the Pacific Coast meeting and also expected to attend the Imperial Council meeting of Shriners on the Coast, but these plans have been given up.

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LIFE AGENCY CHANGES

GOES TO LINCOLN NATIONAL

C. L. Miller of Madison, Wis., Has Been Appointed General Agent for a Number of Counties

The latest acquisition to the Lincoln National Life agency force is C. L. Miller of Madison, Wis., who will be general agent for the district around the Wisconsin capital. Mr. Miller was



C. L. MILLER

formerly vice president and agency director of the National Guardian Life, and later agency director of the Cleveland Life. He is one of the best known insurance men in the region of Madison and is going about the organization of the Lincoln Life agency in a way which promises marked results.

E. J. Berlet

E. J. Berlet has been appointed general agent and manager for Philadelphia, southeastern Pennsylvania and southern New Jersey by the Guardian Life of New York. Since the resignation of Thomas Murphy more than a year ago the agency had been drifting along without a manager while the company was looking around for a suitable successor.

Entering the insurance business only two years ago with the Philadelphia agency of the Mutual Life of New York, Mr. Berlet sold an average policy of more than \$6,600 during his first year and raised this to more than \$10,000 for his second years. It was at his suggestion that the Mutual Life agency force recently established a reference library which the men paid for themselves, and which is said to be an innovation in life insurance circles. His initiative and enthusiasm resulted in his election a month ago as president of the agency's Field Club. The club will meet Thursday this week to elect his successor. Mr. Berlet was also agency's publicity man and editor of "The Mobilizer," in which capacity he will be succeeded by A. P. Shalet.

J. S. Hayward

J. S. Hayward, formerly with the Travelers, has been appointed manager of the southern California agency of the Northern Life at Seattle. Mr. Hayward is from Connecticut and his insurance career began ten years ago at the home office of the Travelers in Hartford, where he acquired a thorough training. Following a decision to locate in California, Mr. Hayward went to Los Angeles nine years ago as cashier of the local office of the Travelers, which position he held until three years ago, when he was advanced to assistant manager.

TAKE MUTUAL OF ILLINOIS

Reisch, Morgan & Reisch of Springfield, Ill., Relinquish the Travelers to Represent Home Company

Reisch, Morgan & Reisch, of Springfield, Ill., who have been general agents for the Travelers for a number of years have resigned that company and taken over the general agency of the Mutual Life of Illinois, whose head office is in Springfield. This will give the Mutual Life of Illinois a strong home city connection. Harry T. Morgan of the firm has been connected with the Travelers for more than 18 years. He states that naturally the severance of old relations is regrettable but his firm believes that Springfield people are interested in their home institutions and will therefore patronize a home company. The firm recently acquired considerable stock in the company. Carl Reisch of the firm is president of the Springfield Coal Company and the Springfield Marine Bank. George F. Reisch of the firm is a member of the board of directors of both institutions.

The Travelers has appointed Lanphier & Co., general agents at Springfield. This is one of the progressive agencies of the city.

MORTON GOES TO SIOUX CITY

Omaha Agent of the Mutual Benefit Life Succeeds Charles H. Ross as General Agent

Charles H. Ross has resigned as general agent of the Mutual Benefit Life at Sioux City, Ia., in order to be relieved of the responsibility for development of the company's business in the western part of the state. He will continue to represent the Mutual Benefit in Minnesota, where he will make his home after July 1. William D. Morton of Omaha will succeed Mr. Ross as general agent at Sioux City. He has been with the Mutual Benefit since 1911. This makes the second man that the Omaha agency has released in less than a year. C. L. Sykes, formerly a star in the Omaha agency, is now general agent of the Mutual Benefit in Oklahoma.

D. B. Adler

D. B. Adler, formerly superintendent of the L. A. Cerf general agency of the Mutual Benefit Life at New York City, has been made agency director for Hall & McNamara, general agents of the Penn Mutual Life in New York. Mr. Adler was associated with Mr. Cerf for the past three years, having made remarkable strides with that agency. He was the active manager of the uptown office at Forty-fourth street, and in his last year produced \$5,500,000 of business for L. A. Cerf, with \$1,000,000 surplus business. Hall & McNamara have been making splendid progress and Mr. Adler's connection is another star added to the many large writers who are now identified with this agency.

Robert J. Jeffs

Robert J. Jeffs, formerly superintendent of agents of the National Life of Toronto, Can., has been appointed Nebraska manager for the Federal Life of Chicago with headquarters at Omaha.

J. H. Huntington, Jr.

L. A. Cerf, general agent in New York City for the Mutual Benefit Life, announces the appointment of J. H. Huntington, Jr., as manager of the central branch office at 44th street, New York City. Mr. Huntington has spent practically his entire lifetime in the insurance business, and has been with the Cerf agency in various capacities for

Amicable Progress

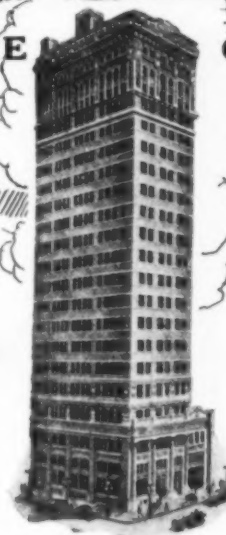
Not content to sit idly by, watching other institutions rise and flourish, the Amicable is steadily gaining in strength and reputation. But this is not gained at a loss of stability. The growth of the Amicable is keeping pace with its dependability. It does not sacrifice its reputation for growth.

But its progress is not limited to company growth alone. The company is keenly alert to all new conditions as they arise. It is continually on the watch, ready to anticipate any new condition that may seem to be impending. Its one ideal is to equip all its agents with working tools that can be used to advantage in the everyday solicitation of business.

AMICABLE LIFE
INSURANCE COMPANY

WACO

TEXAS



about five years, having served as manager of the Bronx office, and as instructor of agents.

He has been with the central office since its inception, and has there demonstrated his leadership to a marked degree. In May, this agency, which is made up largely of the new men, submitted \$1,260,000, the largest month in its history.

L. C. Cook and J. K. Jarvis

On June 1 Lewis C. Cook assumed charge of the Louisville agency of the Guardian Life of New York, succeeding James K. Jarvis, who has been manager at that point for the last ten years. Mr. Cook is secretary of the Louisville Association of Life Underwriters and was formerly with the Massachusetts Mutual.

John G. Emery

John G. Emery of Grand Rapids, Mich., former national commander of the American Legion, has joined the Missouri State Life agency force at Grand Rapids. During the war he was promoted to major. In 1918 he was wounded in action. At the present time he is in the race for United States senator from Michigan. He was elected national commander of the American Legion in 1921. In addition to his civic activities Mr. Emery conducts a general insurance and real estate office.

L. O. Sewell

Vice President Danford M. Baker, of the Pacific Mutual Life, announces the appointment of Leland O. Sewell as general agent at Grand Rapids, Mich., succeeding O. E. Munn. Mr. Sewell was formerly with the Equitable Life of New York for a number of years.

Karl Hoffman

Karl Hoffman, who has been with Barlow & Anderson in Cedar Rapids, Ia., for the past three years, has joined

the staff of the Fidelity Mutual at the home office, where he will be principally engaged in the organization of district agents. He will remain in the east only a short time, studying the organization of the company and then will return to the middle west to do supervisory work among the middle western agents.

Louis S. Cramer

The Missouri State Life has opened a branch office in Cincinnati with Louis S. Cramer as manager. For the last year and a half he has been connected with the Mutual Benefit Life in that city. He was formerly sales manager for the Royal Typewriter Company, controlling territory from Columbus, O., to Louisville. He is a graduate of Miami Military Institute of Germantown, O.

W. W. Walker

W. W. Walker, 517 Independent Life building, Nashville, Tenn., has been appointed state manager of the Kansas City Life. He was formerly connected with the Tennessee Insurance department. Mr. Walker's first work after connecting with the Kansas City Life was to take a policy in the company himself. Then he wrote his wife and then an intimate friend.

Ward, Morpew & Skelton

The Lincoln National Life selling force in Illinois has been greatly strengthened by the addition of the Ward, Morpew & Skelton general agency, located at Magnolia. Robert A. Ward, George A. Morpew and Charles L. Skelton were formerly general agents for the Equitable of Iowa for Putnam county, Ill. They are starting their production with the Lincoln for a volume of applications which promises that theirs will be one of the strongest selling combinations of the Lincoln Life in Illinois.

Gillett Becomes General Agent

Harvey N. Gillett, supervisor of agents in the upper peninsular of Michigan for

the Detroit Life for the last three years, has resigned to become general agent for Houghton, Baraga, Ontonagon and Keweenaw counties. Henry M. Gillette is his successor in the upper peninsula.

Life Agency Notes

James O'Kane, for many years engaged in the insurance business at Columbus, O., has joined the staff of E. B. Gerlach, Columbus manager of the Equitable Life of New York.

Manager E. R. Putnam announces the addition to the Southern California

agency of the Phoenix Mutual Life of H. F. Clark, who will be located at Riverside and have charge of San Bernardino and Riverside counties. Mr. Clark was formerly an agent of the company at San Francisco.

The Guardian Life of Madison, Wis., has established connections with the new Joachim-Singer Agency at Kenosha, Wis. The agency has just been organized by John G. Joachim, former mayor of Kenosha, and Francis A. Singer, a prominent underwriter of that city, who have opened offices in the Epstein building. The general agency business of Mr. Singer will be continued.

WITH INDUSTRIAL MEN

SEEK CHANGE IN KANSAS LAW

Superintendent Travis Thinks Forfeiture Provision Should Not Cover Industrial Business

TOPEKA, KAN., June 6.—Another effort is to be made in the next Kansas legislature to amend the Kansas law relating to the forfeiture of life insurance policies so that it will not apply to industrial business. This was the announcement of Superintendent Travis in a letter to the National Life & Accident of Nashville, which got caught under one of its industrial policies. The law requires a 30-day notice of intention to forfeit a life insurance contract. The courts have held that the law applies to all forms of life insurance and in a special case made it applicable to industrial policies.

Colonel Travis in his letter said that he would not be in office when the legislature convened but that in his annual report, which would cover the business of the department up to the end of his term and which contemplates the needs of the department, he would recommend that the law be amended so that it would exclude industrial policies from the forfeiture notice requirement.

Several attempts have been made to amend this law but all failed because the explanations offered for its need were unsatisfactory and many members of the legislature got the idea that the "big, rich, powerful insurance companies were trying to slip something over on the poor workingman." It is believed that the law could be amended satisfactorily if the proper explanations of its intentions and the need for amendment were made. The law costs the companies writing industrial insurance large sums and compels them to keep an extra force of employees to handle the Kansas business alone because of the requirement that the law is applicable to industrial insurance.

American National's Campaigns

The Houston, Tex., district of the American National Life during a special effort, with Ordinary Instructor E. C. Pollard conducting the campaign, wrote \$700,000 in the four weeks ending with week of May 6, with an industrial increase of \$100 during the same time.

The Dallas, Tex., district under the leadership of Superintendents L. P. Snell and O. L. Thomasson, with Agent G. H. Driggers acting as ordinary instructor, had a series of good weeks and finished week of May 22 showing \$100,000 ordinary written during that week.

A two weeks' campaign in the San

BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Home Office: Lincoln, Nebraska
Assets . . . \$20,800,000.00

AXTELL, NEBRASKA, March 27, 1922.

Bankers Life Insurance Co.,
Lincoln, Nebraska.

GENTLEMEN: Your agent Mr. J. J. Boasen just handed me your check for \$696.65 which is the full cash settlement on my Twenty Payment Life policy, No. 9877, which matured today. This was a \$1,000.00 policy on which I made a deposit of \$26.75 yearly. Now after having the protection for the face of the policy for twenty years your check today gives me back all of my deposits and \$161.65 in addition. I think this has been a very fair proposition for me.

In the way of indorsement of your good company will say that my husband has a paid up policy with you and within the last week our two eldest sons have each applied for a policy with your company, so I think you will understand that the Gummerson's are satisfied with the Bankers Life of Nebraska.

Wishing you continued success, I am,

Yours truly,

JENNY GUMMERSON.

TWENTY PAYMENT LIFE POLICY

Matured in the

OLD LINE BANKERS LIFE INSURANCE
COMPANY

of Lincoln, Nebraska

Name of insured Jenny Gummerson
Residence Axtell, Nebr.
Amount of policy \$1,000.00
Total premiums paid 535.00

SETTLEMENT

Total cash paid Mrs. Gummerson \$ 696.65
And 20 years' insurance for nothing.

If interested in an agency or policy contract write Home Office, Lincoln, Nebr.

Antonio district shows a total of \$297,000 ordinary under the leadership of Superintendent J. A. Flack, and his able corps of assistants.

Assistant J. E. Jones of the Galveston, Tex., district has been transferred to an assistant in Jackson, Miss. The Galveston staff put on a special week in honor of Mr. Jones and wrote \$52,000 ordinary during the week.

Agent J. W. Mohon of Dallas who has made a splendid record as agent has been promoted to an assistant in Dallas.

New Columbus Office Opened

The Equitable Life of the District of Columbia has opened an office in the Rowlands building, Columbus, O., under the superintendency of William H. Winchcole. Mr. Winchcole has three assistant superintendents and intends to add several more agents to his staff soon.

Prudential's Indianapolis Contest

Indianapolis District No. 2 of the Prudential, of which G. S. Wainwright is superintendent, recently finished a very close and interesting contest for the month of May, in which the winners led by only \$1.53 when the contest closed. All previous records were shattered with a net increase of over \$300 for the month.

The district was divided with 32 agents and 4 assistants to the side, Assistants Jenkins and Craigie being elected captains of their respective sides. Craigie led for the first three weeks and apparently had easy sailing, when Jenkins overcame a \$17 lead and went into first place for the fourth week. However Craigie staged a come-back the final week and won the contest.

Jenkins' men treated the winners to a big chicken dinner and all that goes with it.

Public Savings News

A large delegation from one of the Indianapolis districts of the Public Savings visited the detached superintendency at Martinsville on Saturday, May 27, and held a staff meeting in that city, after which all were banqueted by W. E. Finchum, the Martinsville superintendent. A rousing good time was had as every member of this aggregation is a live wire insurance man.

The Public Savings will hold its annual home office convention in July, with three days of instruction coupled with recreation. It is estimated that approximately 175 representatives will qualify and participate in this event.

Quite a bit of interest is being taken by the agents in a unique "fishing" contest now being staged by the Public Savings. Each morning the agent hands in his "catch" of the day before to his superintendent who in turn strings them on a large stringer in the front of the room. At the close of the contest each superintendent will send in his "catch" to the home office, where a picture of the "stringer" will be taken and the winner determined.

At present, Manager W. F. Ewing of the Richmond district is leading, his "catch" for the week of May 22 being \$45 or an average of \$3 industrial per agent for the entire district.

The Public Savings announces the following changes in the field: Superintendent J. H. Bibbes of the Frankfort staff has been promoted to manager of the Lafayette district. The following agents have been promoted to superintendents: B. F. Cecil of Evansville, R. H. Gorton of Indianapolis and A. Cunningham of South Bend.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and April respectively. PRICE, \$3.50 and \$2.00 respectively.

CONTINENTAL NEW SCHEDULE

Delaware Company Announces Dividends Which Will Be Used This Year, Beginning July 1

The Continental Life of Delaware has announced its 1922 dividend schedule, beginning July 1, as follows:

Ordinary Life

Year Issued	Age	21	25	30	35	45	55
Prem.	17.60	19.36	22.10	25.69	36.89	57.92	
2nd	2.27	2.42	2.61	2.87	3.70	5.24	
5th	2.49	2.67	2.92	3.26	4.30	6.10	
10th	2.89	3.15	3.51	3.99	5.37	7.56	
Prem.	19.62	21.49	24.38	28.11	39.55	60.72	
15th	5.40	5.85	6.48	7.24	9.17	11.76	

Twenty-Payment Life

Prem.	25.98	27.91	30.81	34.39	44.75	63.32	
2nd	2.76	2.92	3.12	3.39	4.16	5.56	
5th	3.23	3.43	3.70	4.04	5.00	6.60	
10th	4.15	4.44	4.83	5.31	6.58	8.45	
Prem.	29.84	31.83	34.76	38.34	48.52	66.69	
15th	9.14	9.58	10.15	10.79	12.18	13.86	

Twenty-Year Endowment

Prem.	46.11	46.60	47.46	48.70	53.78	67.27	
2nd	3.94	4.00	4.10	4.22	4.70	5.79	
5th	5.04	5.10	5.20	5.32	5.83	6.96	
10th	7.19	7.26	7.35	7.48	7.99	9.09	
Prem.	50.07	50.53	51.31	52.47	57.32	70.51	
15th	13.82	13.84	13.86	13.91	14.15	14.34	

Comparison of New and Old Dividend Schedule at Age 35

Year	Issued	1	1	1	1	1	1
2nd	1.95	2.87	2.55	3.39	3.52	4.22	
5th	2.54	3.26	3.54	4.04	5.17	5.32	
10th	3.62	3.99	5.44	5.31	8.41	7.48	
15th	7.30	7.24	11.67	10.79	16.17	13.91	

Ohio State Life

The Ohio State Life is arranging to issue a child's endowment policy, with graded benefits, for children from 2 years of age up to 15, which will soon be placed in the hands of its agents.

The company has just completed a revision of its application and medical examination forms and these have been sent out to agents and medical examiners. They are more concise and more easily handled.

AETNA LIFE'S NEW CONTRACT

Gets Out "Principal and Income Bond Endowment at Age 65"—Chief Features Given

The Aetna Life has gotten out a new contract known as "Principal and Income Bond Endowment at age 65." This plan provides for the payment of a monthly income contingent upon the life of two persons, a designated annuitant and the insured and for the payment of the principal amount insured on the death of the survivor. The income is at the rate of \$5 monthly for each \$1,000 of principal. It is made payable during the life time of the assured if living at the end of the endowment term, on anniversary of the policy nearest to age attained 65, and during the life time of the annuitant after the death of the assured either within or after the endowment term. Taking \$10,000 as a unit, to secure such an estate for his children a father aged 35 with wife aged 30 as annuitant, would be required to pay an annual premium of \$370.90 including disability to be reduced to \$305.70 if the wife predeceases. If he dies within the endowment term of 30 years the wife receives \$50 monthly for life and the principal of \$10,000 falls to the children at her subsequent death. If he is living at the end of the endowment term he receives \$50 monthly for life, the income reverts to the wife after his death and the principal falls to the children at the wife's subsequent death. In either case, if the wife does not survive him the principal becomes payable at his death.

Aetna Life

The Aetna Life is revising the total and permanent disability clause to provide that disability for three months continuously constitutes proof of disability and the installments will begin at that time.

LIFE INSURANCE SERVICES AND PUBLICATIONS

Issued by

The National Underwriter-Rough Notes Companies

The National Underwriter, exclusively life edition, weekly, devoted to life insurance news, statistics, education and salesmanship, per year.....\$3.00

The Insurance Salesman-Life Insurance Independent, monthly, combination of the Insurance Salesman and Life Insurance Independent, largest circulation of any insurance journal in the world, exclusively for life insurance solicitors. Per year.....\$2.00

Issues extra All-Star Convention Number each year, free to subscribers.

The Unique Manual-Digest, combination of the Unique Manual and Policyholders' Digest, standard authority for all companies on annual statements, policy contracts, premium rates, surrender values, dividends, net costs, and general information. 1300 pages. Convenient pocket size. Issued annually May 1, per copy.....\$3.50

The Little Gem Life Chart, vest pocket edition, covering in condensed form policies, premiums, cash values, dividends and net costs of 100 leading companies. Original and oldest vest pocket book. Per copy\$2.00

The Diamond Life Bulletins, statistical and salesmanship sections. A loose-leaf, mimeographed, monthly service, with accumulated material, the most complete and satisfactory service yet developed covering specialized information as to the companies, their policies, premiums, values, dividends, etc., in the statistical section; and salesmanship plans now in successful use by the largest producers, for all forms of life insurance, including corporation, group, monthly income, inheritance tax, etc. Write for terms.

The Salesman's Personal Bookkeeping System: Nash's Combined Register and Account Book. Shows when notes come due, amount of premium, date of application, records of commission, personal business, etc. In use by thousands of agents. Price\$1.25

Loose-Leaf Application and Renewal Register: ten-year record of renewal premiums and commissions by months; durable, compact and good-looking. Register complete with binder, alphabetical index and sheets. With 25 sheets, \$2.45; with monthly guides, \$3.35. 50 sheets, \$3.00; with monthly guides, \$3.95. 100 sheets, \$3.85; with monthly guides, \$4.75. Complete register sent on approval. Mention number of sheets, with or without monthly guides, in order.

Policy wallets, compact and convenient file for policies and valuable papers which every policyholder will value. Carried in stock in three styles at 75c, \$1.00 and \$1.25 each; lower in quantities.

"Remembrance Advertising" in leather goods—note-books, wallets, bill-folds, purses, key-rings, desk-calendars, etc. Factory prices.

Alko Record of Insurance, provides a convenient analysis and complete record year by year of the policyholder's insurance. Beautifully bound in genuine leather. Complete 20-year record for 26 life policies with calendar for all policies, showing just when each premium falls due. \$1.00 each, \$10.00 a dozen. Larger size (for all lines of insurance).....Each, \$1.25; a dozen, \$12.50

The Gibbons Life Policyholders' Schedule Record. A complete schedule of all life policies, enumerating companies, policy numbers, classifications, premium dates, etc., together with an accounting of each

policy in record ledger form, providing a complete history from year to year, giving net costs, and loan values, paid-up and cash additions, etc. 100 copies, \$18.00; 25 copies, \$4.50; 12 copies, \$2.25; sample.....25c

LIFE PROSPECT CARD AND CARD CABINETS

Systematic Salesmanship Outfit, an agent's prospect card system for street and office use. Comprises one leather prospect card case; 200 prospect cards; one set each of monthly, daily, alphabetical and blank card index guides and one oak card index file. The most satisfactory prospect system on the market. Price.....\$4.00

The Chummy Vest Pocket Life Prospects Record. The new idea in vest pocket records. Simply a life insurance prospect card, 2 1/2 x 4 inches (instead of the usual 3 x 5 inches) printed on heavy ledger paper (instead of usual index Bristol and only half as thick); notched at one end (so that an ordinary rubber band holds it as securely as a ring binder) with a tough paper cover; also solid oak desk card tray complete with all necessary guides, holding 600 cards; outfit complete with 200 cards, delivered, for\$3.00

STANDARD BOOKS ON SALESMANSHIP

Carl Slough's Life Insurance Salesmanship and Ginger Talks, now published by the National Underwriter Company. The largest circulation (27,000) ever enjoyed by a life insurance salesmanship book. 275 pages. Price.....\$1.50

A new book on inheritance tax insurance, with tables of both state and federal taxes, brought down to date. Information which in other forms is costing from \$10 to \$75. Gives sales arguments, review of inheritance taxation, study of laws and rulings. Price\$1.50

Jackson's Easy Lessons in Life Insurance. The summing up of a lifetime's experience in presenting the subject of life insurance by one of the great instructors of agents, J. A. Jackson. Simple, concise treatment from agents' standpoint; not actuarial, not theoretical. A standard textbook. Price.....\$1.50

Anderson's Classified Selling Points, containing the most effective short arguments and answers to objections, all classified under the various objections; not one, but many pat answers for each objection. 10,000 already sold. New and enlarged edition. Price.....\$1.00

How to Solicit, by J. B. Duryea. One of the most valuable and concise books on up-to-date salesmanship methods by one of the successful general agents of the Pacific Coast. First edition completely exhausted; revised and enlarged edition just issued. Price.....75c

Schneider's Twenty-four Lessons in Selling Life Insurance. Results of a whole lifetime of experience writing business among the rank and file in a small city. Especially suitable for discussion in agency meetings. Adapted to both industrial and ordinary agents. Price.....50c

Selling the Farmer. A powerful series of seven four-page leaflets, illustrated, talking to the farmer in his own language. Each one is a closer. Send 25 cents for a sample set and price list.

Printed Selling Helps—Leaflets, Pamphlets, and printed forms to be used in the interview visualizing the life insurance argument, such as the Eames Demonstrators, and the Birch Attention-Getter. Write for complete list.

Address,

THE NATIONAL UNDERWRITER COMPANY
CINCINNATI CHICAGO NEW YORK



HUTCHINSON, KANSAS

STEPHEN M. BABBIT, President

Having recently entered
Indiana

THE FRANKLIN

Life Insurance Company
of Springfield, Illinois,
has several unusually attractive
openings in that state for life
men of general agency caliber.

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Contract direct with the
Company.

—□—

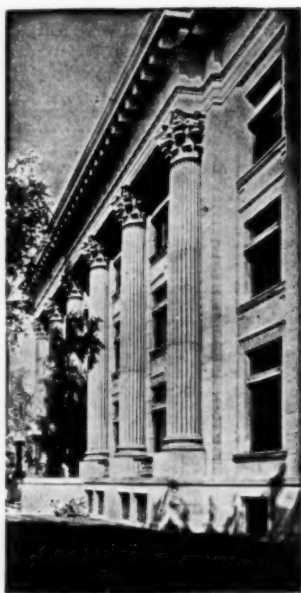
Over \$125,000,000 of insurance
in force.

—□—

The remarkable growth and
achievements of **THE FRANKLIN LIFE**
are due to its traditional "Aggressive
Conservatism" and the splendid co-
operation between the Company and the
Agency Staff.

Let us know something about your
qualifications and your ambitions as
an insurance man, and we will give
you the details of our proposition.

*Write direct to the Home Office,
Springfield, Ill.*



EVOLUTION OF SUBSTANDARD INSURANCE

History and Growth of the Business and Principles Involved
in Its Underwriting

BY FRANKLIN B. MEAD

Secretary and Actuary, Lincoln National Life

LIFE insurance began with the almost indiscriminate admission of lives of all ages and after a certain period of such experience it fell into the opposite extreme and all were rejected who were not up to a certain standard of health, one out of every three or four applicants, we are told, being rejected because an intense selection began to be exercised against the offices. It was but natural that the companies should finally direct their attention to this waste with an attempt to assess special rates upon some of the rejected risks. The first company to attempt this was the old Equitable which did so in 1762 with reference to persons suffering from gout or with hernia. The usual extra premium was 11 percent or 12 percent of the regular premium which provided for slightly less than 25 percent extra mortality.

First Efforts

The next company of which we have record as insuring substandard lives was the Eagle Insurance Company which began in a small way in 1808. In how small a way we realize when it is known that from 1808 to 1813 they accepted only eight substandard cases, all of the risks being those "liable to gout" and in the last-mentioned year a person afflicted with hernia was accepted. From that time on more attention was given to the subject but until 1824 few substandard risks were accepted other than those accepted with gout and hernia. Finally

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In 1845 the England Life & Invalid-Hazard Assurance Company was formed with the very interesting announcement that "the company would have their separate tables for effecting insurance on lives in full health: for hazardous, double, treble, and quadruple hazardous; and also for effecting assurances, for certain periods, on lives which may be considered desperate." The mention of the separate tables, hazardous, double, treble, and quadruple hazardous, is reminiscent of the method of classification of substandard risks with some companies in America today, although it does not seem to have made any progress.

London & Yorkshire Founded

In 1858 the London & Yorkshire Insurance Office was founded and in 1861 it commenced insuring "diseased and doubtful" lives under what was referred to in their prospectus as a "new scheme." In this prospectus attention was called to "parties rejected by other offices, or accepted subject to extra premium" to examine this new scheme and to that of agents as "to its applicability where parties decline to complete proposals under the old plan." Here we have the precursor of the modern substandard broker. This new plan was devised by Morrice A. Black, of the office just referred to. His method was to equate the present value of the extra premiums to a single premium for insur-

Franklin B. Mead, actuary of the Lincoln National Life, presented this paper on "Substandard Insurance: Its Evolution and a Review of Some of its Principles" before the annual meeting of the American Institute of Actuaries in session in Chicago last week. Substandard insurance was the main subject under discussion at the convention and Mr. Mead's was one of the two formal papers on that topic, forming the basis of the discussion. Mr. Mead treated of the matter from its inception and gave much valuable information on its development.

others were accepted with "affections of circulation" and "of respiration," "obesity," "intemperate habits," "family history or general want of robustness." How limited the business was may be realized when it is known that from 1813 to June, 1871, only 3,147 risks were placed upon the books of the company.

In 1824 particular attention was directed to the subject by the establishment of the Clerical, Medical & General Life for the purpose of granting insurance "policies on lives deviating so much from the common standard of health as to render them wholly inadmissible to any office then existing." The experience of the first eleven years of this office gave a mortality of over double that on healthy lives whereas the average additional premium did not exceed 30 per cent. More caution prevailed during the next ten years with beneficial results as shown by the mortality experience than deduced with the result that invalid lives were accepted rather more freely than before.

After the formation of the Clerical, Medical & General a number of other smaller companies were formed and the practice of rating up or charging extra premiums became quite general. The system of rating was more or less haphazard and seems to have been based in a large part upon how much the local examiner considered the expectancy of the applicant to be reduced by the unfavorable features or in accordance with the increase in the hazard as determined by the managers of the offices. The attitude of some of the companies, however, was unfavorable to the project which was regarded in the same light with which substandard insurance has

and for a period after which the full amount would be payable in event of death, a sort of single premium lien in which we find the first beginnings of the lien system.

The lien method does not seem to have made much progress for some time and the companies continued for the most part to use extra premiums which were certain percentages of the normal premium or the alternative plan of having the medical examiner estimate how much he considered the expectation of life to be reduced by the unfavorable features and from this estimate assessing a rating-up in years. In 1871 from the record of 53 companies it was found that two did not do any substandard business, concerning three the information was indefinite, while 32 used the plan of rating up in years with valuation at the rated-up age, and 15 used the extra-premium plan with valuation at the true age. Only three companies used the lien plan as a result of Mr. Black's suggestion in 1861. Among these his company is not included as it had already passed out of existence.

In 1851 the Clerical, Medical & General published its experience on diseased lives and in 1869 was published the "Combined Experience on Diseased Lives" embracing only 11,146 lives and in 1873 the Eagle Insurance Company published its experience on diseased lives. In all of these experiences all heterogeneous types of risks were grouped together for the reason that there was not sufficient experience in any one type, for, as has been noted, the total amount of substandard business done was very meager.

In a discussion before the Institute of Actuaries in 1874 the opinion was ex-

pressed that up to that time "hardly any of the companies had made the business pay" and that after 50 years of experience in several companies it seemed that "very little progress had been made and no real information obtained as to the proper premium to be charged." This was especially discouraging when the fact is noted that the basic premiums quoted for normal risks were very high and profitable and that many risks were granted insurance at increased premiums upon which there was no real extra hazard. Not only was little progress made as to mortality values of special types of risks but there was little advance toward a comprehension of the true principles of substandard insurance.

Establishment of Lien Basis

It will be recalled that it was in 1861 that the first attempt was made to issue lien policies on substandard risks. It was not until 1891 that A. W. Sunderland, in a paper read before the Institute, demonstrated correct principles for arriving at the amount of deductions and in this paper he made the surprising exposition that the deductions provided by the usual company in their policy contracts were but a fraction of what they should be. This resulted from the fact that it was the common practice to take the extra premium, determined by the difference between the rated-up age assessed and the premium for the actual age, and multiply this extra premium by the expectation of life, the result giving the amount of deduction in case of death the first year. This initial deduction was reduced annually by the amount of the extra premium. It will thus be seen that after 130 years since the first attempt of the Equitable and nearly 70 years since the first attempt of other companies that comparatively little progress was made in the development of actuarial principles of substandard insurance although here and there an occasional sound view was set forth and this is also true of the statistical information. In all this time, except for some statistics relating to climate hazard and a few casual types of occupational risks, no statistical information was presented as to other types of impaired risks.

In 1892 Henry Manly presented the first of these in connection with Consumptive Family History. Many of us who were accustomed to refer back to this for information prior to the medico-actuarial investigation will be surprised by now referring to Mr. Manly's paper at the paucity of the data involved. There were only 863 cases in all, there being, for instance, only 63 where the father had died of consumption and only 71 where the mother had died of this disease. Naturally there was no classification for the important factor of build which is the determining one as to whether a favorable or unfavorable mortality will result.

Growth in the United States

In the United States, up to this time, practically no attempt was made in the substandard field aside from occupational risks. However, it should be noted that in Canada the Sun Life issued an occasional substandard policy prior to 1887, either with an extra premium or with a rating-up in age. In 1887 that company issued its first lien policy but it was not until December, 1889, that it adopted the lien system as a feature of its business but it may be properly said that they were not really launched in the substandard field until this latter year. In these "early days" there was very little experience to serve as a guide and the liens depended, therefore, upon the judgment of the medical director and actuary as to the nature and extent of the extra mortality likely to be experienced. After the introduction of the lien system the Sun Life did not use extra premiums or the rated-up method but the lien system was their sole method and this was "used in conjunction with the endowment plan to meet certain of the more

serious classes of impairment such as heart murmurs." After the publication of the medico-actuarial mortality investigation the company commenced to use the rating-up system, particularly in connection with overweights, and since that time the rating-up method has been more and more used.

New York Life's Work

The development in the New York Life along proper statistical lines, as described by Dr. Rogers in his various papers, lead to momentous results which almost entirely revolutionized the method of selection of risks. These statistical investigations were undertaken for the purpose of determining the acceptability for standard insurance of certain types of borderline cases but it was discovered when the resulting information was acquired that the means was at hand to begin writing substandard insurance "tentatively," for discovery was made in these statistical investigations of a fundamental principle of life underwriting, namely, that the same principle is involved in assessing substandard risks their mortality ratings as in placing accurate valuations on borderline cases to determine whether these borderline cases should be accepted or declined for insurance by a company doing a standard business only. The statistical studies in the New York Life were begun in 1890 and by 1896 it found itself "in position to place definite valuations on a wide range of borderline and substandard cases and in July of that year the company took up the work of insuring under-average lives. At first this was done tentatively, constantly watching our experience, but later with increasing confidence that our standards were correct and our point of view sound." This company decided to adopt the rating-up-in-years method as a practical solution of granting substandard insurance, thus following the English method, the reserves and surrender values being based upon the rated-up age.

Work of Other Companies

The Travelers began writing substandard business prior to 1900 but its early contracts were practically all on the lien plan. However, in 1907, the company adopted the system of extra premiums based on percentage additions to the standard mortality table. This may be regarded as an epochal move in the history of substandard insurance for, considering the question from every viewpoint, this system is the most generally satisfactory of any that has yet been devised for dealing with substandard risks. On January 1, 1908, the Travelers published values as well as ratings according to this system.

The Equitable entered the substandard field about the same time as the Travelers, employing the rating-up method. Aside from the companies mentioned there was little substandard business done during the first decade of this century although there were a few attempting it in a limited way. The company with which the writer is connected began the writing of substandard business in a "tentative way" also in 1911, using the rating-up method but on July 1, 1914, it adopted the system based on percentage additions to the standard mortality table, being the second company to adopt this system. The next company to adopt this system was the Equitable on July 1, 1915.

In this connection it should be noted that the Security Trust and Life of Philadelphia was organized in the early nineties to do a substandard business exclusively, securing its business through brokering with the agents the rejected risks of other companies. It employed at first, for the most part, the lien system but soon after adopted the rating-up method. When the Security Trust and Life was reinsured by the Pittsburgh Life and Trust in 1907 the latter company entered the substandard field, using the rating-up method.

(This is the first part of Mr. Mend's address. The remainder will be printed in next week's issue.)

American National Insurance Company OF GALVESTON, TEXAS

W. L. MOODY, JR.
President

SHEARN MOODY,
Vice-President

W. J. SHAW,
Secretary

FINANCIAL STATEMENT, DECEMBER 31, 1921

ADMITTED ASSETS	LIABILITIES
Real Estate Owned.....\$ 896,517.61	Net Reserve, American Experience (3 and 3/4%).....\$9,261,807.63
Mortgage Loans (First Lien).....4,108,612.42	Special and Contingent Reserves.....204,251.00
Collateral Loans.....1,000.00	Reserves for Death Losses in Process of Adjustment or Adjusted and Unpaid.....105,608.25
Loans Made to Policyholders (on this company's Policies).....1,198,944.47	Reserves for Taxes.....129,129.51
Bonds.....3,536,822.42	All Other Liabilities.....158,244.72
Cash in Banks.....1,463,977.37	Capital Stock.....\$500,000.00
Certificates of Deposit.....6,908.28	Assigned Funds.....243,252.00
Interest Due and Accrued.....237,661.04	Surplus.....1,070,643.81
Deferred and Uncollected Premiums (Less Loading).....221,999.36	Surplus to Policyholders.....1,813,895.81
All Other Assets.....493.95	
TOTAL ASSETS.....\$11,672,936.92	TOTAL LIABILITIES.....\$11,672,936.92

Ordinary and Industrial Life Insurance in Force, \$157,699,773.00

Operates in Nineteen States and the Republic of Cuba

"ANCHOR TO THE ANICO"

WANTED WE WANT A MANAGER

in every important center in Indiana where we are not represented. Only men of ability and probity will be considered. We offer liberal commission contracts to agents and salable policies to the public. The proposition we offer is unusual. Correspondence confidential.

GARY NATIONAL LIFE INSURANCE COMPANY

Gary, Indiana

WILBUR WYNANT, President

THE COMPANY OF SUCCESSFUL SALESMEN— BANKERS LIFE

GEO. KUHN'S PRES.



DES MOINES



HUTCHINSON,

KANSAS

STEPHEN M. BABBIT, President

Having recently entered
Indiana

THE FRANKLIN

Life Insurance Company of Springfield, Illinois, has several unusually attractive openings in that state for life men of general agency caliber.

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Contract direct with the
Company.

—□—

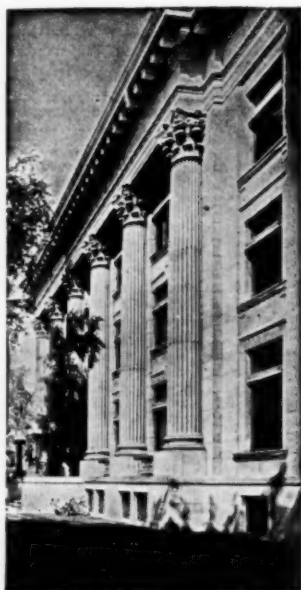
Over \$125,000,000 of in-
surance in force.

—□—

The remarkable growth and achievements of **THE FRANKLIN LIFE** are due to its traditional "Aggressive Conservatism" and the splendid co-operation between the Company and the Agency Staff.

Let us know something about your qualifications and your ambitions as an insurance man, and we will give you the details of our proposition.

*Write direct to the Home Office,
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EVOLUTION OF SUBSTANDARD INSURANCE

History and Growth of the Business and Principles Involved
in Its Underwriting

BY FRANKLIN B. MEAD

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serious classes of impairment such as heart murmurs." After the publication of the medico-actuarial mortality investigation the company commenced to use the rating-up system, particularly in connection with overweights, and since that time the rating-up method has been more and more used.

New York Life's Work

The development in the New York Life along proper statistical lines, as described by Dr. Rogers in his various papers, lead to momentous results which almost entirely revolutionized the method of selection of risks. These statistical investigations were undertaken for the purpose of determining the acceptability for standard insurance of certain types of borderline cases but it was discovered when the resulting information was acquired that the means was at hand to begin writing substandard insurance "tentatively," for discovery was made in these statistical investigations of a fundamental principle of life underwriting, namely, that the same principle is involved in assessing substandard risks their mortality ratings as in placing accurate valuations on borderline cases to determine whether these borderline cases should be accepted or declined for insurance by a company doing a standard business only. The statistical studies in the New York Life were begun in 1890 and by 1896 it found itself "in position to place definite valuations on a wide range of borderline and substandard cases and in July of that year the company took up the work of insuring under-average lives. At first this was done tentatively, constantly watching our experience, but later with increasing confidence that our standards were correct and our point of view sound." This company decided to adopt the rating-up-in-years method as a practical solution of granting substandard insurance, thus following the English method, the reserves and surrender values being based upon the rated-up age.

Work of Other Companies

The Travelers began writing substandard business prior to 1900 but its early contracts were practically all on the lien plan. However, in 1907, the company adopted the system of extra premiums based on percentage additions to the standard mortality table. This may be regarded as an epochal move in the history of substandard insurance for, considering the question from every viewpoint, this system is the most generally satisfactory of any that has yet been devised for dealing with substandard risks. On January 1, 1908, the Travelers published values as well as ratings according to this system.

The Equitable entered the substandard field about the same time as the Travelers, employing the rating-up method. Aside from the companies mentioned there was little substandard business done during the first decade of this century although there were a few attempting it in a limited way. The company with which the writer is connected began the writing of substandard business in a "tentative way" also in 1911, using the rating-up method but on July 1, 1914, it adopted the system based on percentage additions to the standard mortality table, being the second company to adopt this system. The next company to adopt this system was the Equitable on July 1, 1915.

In this connection it should be noted that the Security Trust and Life of Philadelphia was organized in the early nineties to do a substandard business exclusively, securing its business through brokering with the agents the rejected risks of other companies. It employed at first, for the most part, the lien system but soon after adopted the rating-up method. When the Security Trust and Life was reinsured by the Pittsburgh Life and Trust in 1907 the latter company entered the substandard field, using the rating-up method.

(This is the first part of Mr. Mead's address. The remainder will be printed in next week's issue.)

American National Insurance Company OF GALVESTON, TEXAS

W. L. MOODY, JR.
President

SHEARN MOODY,
Vice-President

W. J. SHAW,
Secretary

FINANCIAL STATEMENT, DECEMBER 31, 1921

ADMITTED ASSETS	LIABILITIES
Real Estate Owned.....\$ 896,517.61	Net Reserve, American Experience (3 and 3/4%).....\$9,261,807.63
Mortgage Loans (First Lien).....4,108,612.42	Special and Contingent Reserves.....204,251.00
Collateral Loans.....1,000.00	Reserves for Death Losses in Process of Adjustment or Adjusted and Unpaid.....105,608.25
Loans Made to Policyholders (on this company's Policies).....1,198,944.47	Reserves for Taxes.....129,129.51
Bonds.....3,536,822.42	All Other Liabilities.....150,244.72
Cash in Banks.....1,463,977.37	Capital Stock.....\$500,000.00
Certificates of Deposit.....6,908.28	Assigned Funds.....243,252.00
Interest Due and Accrued.....237,661.04	Surplus.....1,070,643.81
Deferred and Uncollected Premiums (Less Loading).....221,999.36	Surplus to Policyholders.....1,813,895.81
All Other Assets.....493.95	
TOTAL ASSETS.....\$11,672,936.92	TOTAL LIABILITIES.....\$11,672,936.92

Ordinary and Industrial Life Insurance in Force, \$157,699,773.00

Operates in Nineteen States and the Republic of Cuba

"ANCHOR TO THE ANICO"

WANTED WE WANT A MANAGER

in every important center in Indiana where we are not represented. Only men of ability and probity will be considered. We offer liberal commission contracts to agents and salable policies to the public. The proposition we offer is unusual. Correspondence confidential.

GARY NATIONAL LIFE INSURANCE COMPANY

Gary, Indiana

WILBUR WYNANT, President

THE COMPANY OF SUCCESSFUL SALESMEN— BANKERS LIFE

GEO. KUHNS PRES.



DES MOINES

SUBSTANDARD BUSINESS AND YOUNG COMPANIES

(CONTINUED FROM PAGE 4)

Age at Issue	+ 50 percent	+ 100 percent	+ 150 percent	Extra deaths per 1,000 per annum per 10 deaths
Twenty-Payment Life				
20	\$ 1.70	\$ 3.50	\$ 5.20	\$ 8.90
30	1.90	3.80	5.70	8.70
40	2.30	5.80	8.60	8.40
50	5.80	11.60	17.30	8.10
60	12.50	24.80	36.70	7.80
Twenty-Year Endowment				
20	\$ 1.50	\$ 3.00	\$ 4.50	\$ 7.80
30	1.70	3.40	5.10	7.80
40	2.60	5.30	7.90	7.70
50	5.50	11.00	16.40	7.70
60	12.30	24.30	36.00	7.70

Group Method Employed

"Instead of charging an extra premium according to the expected additional mortality in each case, several companies have adopted the practice of using different sets of extra premiums, each of which applies to groups of policyholders with approximately the same expected mortality. Another method is to base the scale of premiums, reserves, and surrender values on multiples of the standard table—

150 percent, 200 percent, and 250 percent. The loading on the premiums may be determined by the same method as for standard risks.

"When the surrender values are based on the higher rate of mortality expected, the general effect is to increase the cash values, except under endowment policy, to leave the paid-up values practically unchanged, and to decrease the duration of the term extension. When the cash values are left unchanged a common practice seems to be to grant the same paid-up values but to eliminate the term extension wherever a substantial extra premium is charged, thereby making paid-up insurance the automatic feature in the policy. This is particularly desirable in the case of endowment insurances issued by highly impaired risks.

"The simplicity of the extra premium method makes a strong appeal to many actuaries, especially if the extra premiums do not participate in surplus, the surrender values are not increased, and the additional reserve at the end of the calendar year is taken as one-half the net or gross premiums receivable.

Advance in Age

"The method of advancing the age is used principally by companies issu-

ing policies with annual dividends. There is a well-defined opinion that this form of meeting the extra mortality is more attractive to both the insured and the agent than the method of charging an extra premium, as dividends are usually paid on the basis of the advanced age of the insured and he is given the advantage of increased surrender values at the rated up age. On the other hand, it is contended that for companies issuing non-participating policies and for young companies which have a heavy lapse rate, the extra premium method is the more advantageous one.

Scale of Commissions

"Before calculating the advances in age which should be adopted it is necessary to determine the scale of commissions to be paid, whether or not, dividends are to be payable on the basis of the advanced age. The general custom is to treat the insured at his rated-up age exactly the same as an insured granted standard insurance at the corresponding true age. The advance in age, therefore, provides for the additional mortality expected, for commissions, dividends, and surrender values at the rated-up age. In the following tables examples have been given of the advance in age required in the case of

150 percent, 200 percent, and 250 percent of the American Men Select Table, 3½ percent and also in the case of a constant extra mortality of ten deaths per thousand annually:

Advances Per Percentages

Advance in age to provide for extra mortality.

Age at Issue	+ 50 percent	+ 100 percent	+ 150 percent	Extra deaths per 1,000 per annum per 10 deaths
Ordinary Life				
20	8	13	16	17
30	6	10	13	11
40	6	9	12	10
50	6	9	12	9
60	6	9	12	8
Twenty-Payment Life				
20	8	14	17	19
30	7	11	14	13
40	6	9	12	8
50	5	9	12	5
60	5	9	12	3
Twenty-Year Endowment				
20	15	20	23	27
30	8	13	15	18
40	6	9	12	11
50	5	9	12	6
60	5	9	12	3

Judgment Should Be Used

"The advance in age method in connection with occupation should be applied with judgment and discrimination. For the sake of simplicity some companies charge the same advance in age for all plans and for all ages at entry except at the older ages. This involves a knowledge of the average age at entry and of the popular plans of insurance. It may be well to mention that in probably the majority of hazardous occupations the average age is lower than in non-hazardous occupations. With regard to the older ages at entry it is not advisable in many of the hazardous occupations to charge an advance in age irrespective of the age of the applicant. One of the methods of limiting the charge is to provide that the increase in premium shall not be larger than that applicable to age 40 at entry.

"In the advance in age method it should be clearly kept in mind that a proportion of the extra premium is returned on surrender in the case of life and limited payment life policies if the surrender value at the advanced age is granted.

Which to Adopt?

"In deciding which method should be adopted by a company such considerations must be taken into account as the method of distributing dividends, if any, the conditions under which the company is doing business, the organization of the field force, the age and financial standing of the company and the experience of the officers. I question whether any actuary of experience is rash enough to select one method and state that it is best under all conditions. The fact is that each has advantages, and that each has disadvantages. It is a question of weighing these advantages and disadvantages and then determining which is best adapted to the conditions of the company. However much I might desire to help individual companies, it would be impossible to advise them of the best method to adopt, but I hope that my presentation will enable them to select the method best adapted to their needs.

Question of Improved Risks

"Before the liens, extra premiums, or advances in age are calculated the company should consider in a general way what its practice will be with regard to policyholders who improve as insurance risks. It may be necessary to provide an extra loading, or make a provision for extra mortality. If a very liberal course is adopted with regard to granting better terms after the policy is issued. There are two types which present themselves: those who have changed from hazardous to non-hazardous occupations; those whose physical condition has improved, or those who, for any other reason than change in occupation, improve as risks. With regard to the former, the general practice appears to be to eliminate the extra premium or advantage in age, provided satisfactory evidence of insurability is obtained by the company. It is a good plan, in my judgment, to require a probationary period after the insured has changed his

AMERICAN CENTRAL LIFE

Insurance Co.

INDIANAPOLIS, IND.
Established 1899

HERBERT M. WOOLLEN
PRESIDENT

occupation. The lien system is not generally used in connection with hazardous occupations.

Plan for Modification

"With regard to the second, the companies differ radically in their treatment, from the one extreme of refusing to make any concessions after the policy has been placed, to the other of granting better terms at any time in the future. If an insurance company were to grant the privilege of better terms with improved conditions and if, as a result, the agents made a practice of taking this matter up freely with the policyholders the group might have a higher mortality than was originally provided for. Such a practice would mean the elimination of the better risks from the group, leaving a deteriorated group of those whose condition had not improved or had become worse. While, theoretically, the company should not grant better terms to those who improve, as less liberal terms cannot be given to those who deteriorate, practically, modifications should be made, and it is only the extent of these which must be considered. It seems advisable for a young company to adopt a rule which will give each policyholder the advantage of his improved value as an insurance risk in the early policy years. It is best, however, to avoid too liberal a rule in the beginning, as it is much easier to liberalize than to restrict the period in which better terms may be made to the policyholders.

"I should like to add one word to this part of the discussion with regard to a question which naturally arises. What allowance should be made at the time of change under a policy originally issued with an advance in age? If the policy has been long enough in force to acquire a cash value, an allowance is usually made to the insured of the difference between the cash value at the rated-up age at issue and at the original age at issue.

Maximum Insurance Retained

"It seems well to follow two maxima in determining the amount to be retained on each substandard risk: the greater the risk the smaller should be the amount carried; the more severe the possible selection against the company the smaller should be the company's limit. A schedule of the maximum amount to be taken on any individual risk should therefore be graded according to the two factors, age and degree of impairment, as the more highly rated the risk the greater is the selection likely to be. If I were to lay down a schedule for all ages at entry and for the various degrees of impairment, it would be easy to find fault with such a schedule. While it might appear satisfactory to a company with well-equipped medical and actuarial departments, the maximum amounts would be distinctly large for a young company or even for a well-established company without such advantages. Let me suggest therefore that it is wise to make the maximum amount for substandard risks not more on the average than one-half of the corresponding amount of standard risks, and that this method should be so applied that on the slightly impaired risks three-quarters, and on seriously impaired risks one-quarter of the maximum on standard risks would be taken. I am assuming that the maximum for standard risks depends on age and is less at the very young ages and at the older ages than at other ages.

Scale of Commission

"A quarter of a century ago when a large company commenced to issue policies on the lien plan to substandard lives a lower commission was paid on such policies than under standard policies. This action may have been based on the desire to apply the savings in commission toward a mortality fluctuation fund, and to discourage brokerage business. There was also evidently the feeling that the agents would be contented to receive a lower commission on business which had formerly been declined. This practice was continued for several years until it was apparent that the company was able to control the various factors connected with underaverage business. One of the considerations in deciding upon the change in payment of commissions under policies issued with lien, was the impression among the agents that in case of doubt the applicant would be given substandard insurance so as to save commission. There is no question that the agents

will be more contented and will make a greater effort to place policies on substandard lives if the same scale of commission is allowed as on policies on standard lives. In my judgment, therefore, it is better to pay the regular scale of commission, whether the policy has been issued with lien, with an advance in age, or with an extra premium, excepting only policies under which a temporary extra premium has been charged. There are certain disadvantages to this rule, such as the loss to the company in connection with any refund of extra premiums paid, but in many cases an adjustment of commission can be made with the agent. While I have given my judgment on the basis of experience, I hesitate to give advice to the younger companies because there are considerations applicable to older companies operating in New York state which do not apply to the younger companies.

Records of Mortality

"There is one requisite in connection with underaverage business—namely, the ability of the actuary to determine from time to time whether or not the underaverage business is carrying itself. Such business should not be done if it is a detriment to the policyholders under standard policies; but, on the other hand, the substandard policyholders in a mutual company should not be discriminated against in favor of the standard policyholders. The ideal way is to so treat the substandard policyholders that they will be on a par individually, as far as may be, with standard policyholders.

"In order that mortality investigations may be made, a card, handwritten or perforated, should be prepared for each underaverage case placed on the books of the company. Our practice is to prepare a typewritten card when the policy is issued from the home office, and three months later to prepare a perforated card. This avoids preparing perforated cards on substandard cases not placed, but involves calling for the application papers from the files in order to place the medical information on the perforated cards, which is not done when the typewritten card is prepared. We have found that it is better to prepare interim cards, when the policies are issued, rather than to wait for a suitable time to write cards containing complete data after the policies have been paid for.

"The perforated cards should be made in duplicate, one set being kept in numerical order, and the other in mortality investigation order. The latter may be divided into suitable groups. An investigation should be made periodically to determine the relationship between the actual and the expected mortality. For several years it may be necessary to use this guide alone, but at a later date different groups should be investigated, such as those rated up for occupation, for habits, for heart murmurs, for albuminuria, etc., to determine whether these groups are being treated justly. In the meantime the papers in connection with death losses occurring in the early policy years should be carefully studied as errors in the future may thereby be avoided.

Disability and Double Indemnity

"In view of the large number of companies which are granting disability and double indemnity benefits in connection with life insurance policies, a brief statement seems desirable with regard to the limitation of these benefits to underaverage lives.

"There are certain types of applicants to whom disability benefits are not usually granted, such as underweight persons at the young ages with tubercular family history, persons with a history of blood-spitting or of syphilis, and those with a strong family record of insanity. It is not customary to issue disability benefits to applicants who have lost an arm, a leg, or an eye; nor to those in occupations involving considerable hazard of loss of limb from accident, or marked liability to tuberculosis. On the other hand, are certain types of moderately impaired risks to whom disability benefits might be issued at a proper rate, such as persons with certain forms of heart murmur, and those with intermittent albuminuria.

"With regard to double indemnity, the principal hazard to be guarded against is increased liability to accident which particularly comes from occupation, and from physical inability to take care of one's self quickly in a moment of danger such as would result from the loss of a leg or from deafness."

1867 **EQUITABLE LIFE** 1922

Insurance Company
OF IOWA

Results of 1921

Insurance in force \$286,934,616.49
Admitted Assets \$ 39,234,839.04
Ratio of Actual to Expected Mortality 34.7%
68% of all business written since organization still in force.

For information regarding Agencies
Address:—Home Office: Des Moines

The Farmers & Bankers Life Insurance Company

Invites Inspection—Inquiry of Integrity

It Issues

POLICIES THAT ATTRACT

And maintains a relationship with its Agents that creates a genuine spirit of loyalty between Agents and Company

Home Offices;

Wichita, Kansas

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA

Mutual, with unexcelled dividend factors.
Mortality 1921, 44%.
Interest earned upon mean invested assets 6.03%.
Assets of \$109 to each \$100 of liabilities.

Business in force 1917, \$54,193,000
Business in force 1921, \$139,868,000

Excellent direct general agency contracts available for
Central and Southern Ohio, Utah, Oregon and
Northern California

What the Clearing House is
To the Bank



The Reinsurance Life
Des Moines

Seventy-Nine Years of Service

Our first policy was issued in 1843.

Up to December 31, 1921, we had paid \$1,736,129,572 to policyholders and beneficiaries, and had accumulated \$675,319,164 for them. Dividends to policyholders totaled \$361,465,227 in the same period.

Total insurance in force at the end of 1921, \$2,472,651,779.

Corporations and Partnerships protected by Business Insurance. Inheritance tax provision for large or small estates. Philanthropic institutions endowed. Income policies for the protection of homes and dependents. Annuities for the aged. Up-to-date Disability and Double Indemnity provisions.

For terms to producing Agents address

The Mutual Life Insurance Company of New York

34 Nassau Street, New York

A Wider Field An Increased Opportunity

Our agents can sell policies on the annual premium plan, up to \$3,000, to young men and young women as young as age 2—protective insurance and Educational and Business Start Endowment Insurance. This extension of the age limit for Ordinary Insurance down to age 2 helps our Agents considerably. We issue Participating and Non-Participating Policies.

As regards adults, we write contracts with Double Indemnity provisions covering any kind of fatal accident, or with Double Indemnity provisions covering fatal travel accident only, as may be desired.

We issue policies with waiver of Premium and Disability Annuity or Installment Payment features.

We insure males and females at the same rates.

**OLD COLONY LIFE
INSURANCE COMPANY
CHICAGO, ILLINOIS**

SIX YEARS OF PROGRESS

End of Year	Insurance in Force	Reserves	Assets
1916	\$1,504,904	\$9,778	\$429,373
1917	3,014,388	43,502	678,555
1918	4,507,824	100,914	775,154
1919	8,556,794	205,203	941,380
1920	12,112,174	365,286	1,127,761
1921	\$16,331,992	\$574,921	\$1,367,692

Surplus to Protect Policyholders - - \$757,992.36

Assets \$2.06 for every dollar of Liability,
and a corps of live satisfied agents.

The Shenandoah Life Insurance Company

ROANOKE, VIRGINIA

General and District Agency openings in Arkansas, North Carolina,
Virginia, West Virginia and New Jersey.

On Agency matters address—W. F. Macallister, Agency Manager.

In Business Since 1862

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Insures all classes of selected lives, issuing policies on the ordinary, intermediate and industrial plan at all ages. It also insures against total and permanent disability. Policies of the company are made secure by reserves maintained on the highest standard, with additional contingent reserves providing protection against all emergencies. Information and Advice on any matter relating to Life Insurance is Available at any time through the Agencies or Home Office of this Company.

LOCAL ASSOCIATIONS

Philadelphia, Pa.—Announcement has been made by the Philadelphia Association that in an effort to add to the prosperity of this city by creating additional and larger life insurance estates, two trophies will be awarded as prizes in an increased business contest which opened June 1 and will end Dec. 31.

The trophies were presented by Managers Dickey and Morgan of the Philadelphia agency of the Mutual Life of New York for members. (1) paying for the greatest volume of life insurance on the annual premium basis (exclusive of term) during the six months, and (2) having the greatest number of delivered policies placed on separate lives, on the annual premium basis (exclusive of term) during the six months, the minimum amount of each being \$1,000.

It is pointed out that the winners will be ranked as the most skilled and successful life underwriters in the city. All members of the association are eligible. Standing of competitors will be announced at all meetings of the association until January, when the prizes will be awarded by President Joseph C. Staples.

Lincoln, Neb.—With its meeting June 10 the Lincoln Association will adjourn for the summer months. For that reason it will be ladies' night and dinner will be served for several hundred at the chamber of commerce. Everything of a serious nature will be banned on that occasion. Adrian M. Newens, a Lincoln business man, who was formerly a star on the chautauqua circuit, will be the principal entertainer of the evening. The male quartet made up of insurance men will sing and, after the dinner and program is over, the floor will be cleared for dancing. The underwriters feel that the past year has been the most successful in the history of the association. It now has 106 members, during the year it conducted a sales congress that was productive of splendid results and staged several fine programs, including practical talks on underwriting from leaders in the profession.

Davenport, Ia.—The annual meeting will be held Saturday evening. Jules Girardin of Chicago, general agent of the Phenix Mutual, will be the principal speaker. Two or three local men will be on the program with short addresses.

Chicago, Ill.—The final meeting of the season will be held by the Chicago association on June 14, in the Red Room of the Hotel LaSalle. F. W. Heron, Pacific Coast supervisor of agents for the Fidelity Mutual Life, being the principal speaker. Mr. Heron will discuss a topic that is of general interest, taking up income insurance in its several applications. As this is the last meeting until September, the usual attendance is expected in spite of the arrival of summer weather. Darby A. Day, president of the association, planning for another "500 or better" day.

Omaha, Neb.—At the meeting of the Omaha Association last week the following nominations were made for officers for the coming year: President, F. N. Croxson, Equitable Life of New York; vice-president, C. T. Platt, Mutual Benefit; secretary, R. W. Gentzler, Prairie Life of Omaha; treasurer, C. A. Eyre, Provident Life & Trust; national committeeman, H. O. Wilhelm, Northwestern National. Nominations are open until the next meeting, which will be held the last Saturday in June and at which time the officers will be selected.

Pittsburgh, Pa.—The nominating committee was chosen at a meeting of the executive committee of the Pittsburgh Association to name candidates for offices to be balloted for at the annual meeting of June 16, consists of William M. Wood, William M. Furey, Frank Pier-

WRITES HALF MILLION POLICY

Peoples Life of Chicago Covers Harrison Parker, Cooperative Society Head, for That Amount

A policy for \$500,000 has been written by the People's Life of Chicago, Ill., on the life of Harrison Parker of Chicago, formerly president and publisher of the Chicago "Evening American" and business manager of the Chicago "Tribune," and now president of the trustees of the Cooperative Society of America, which organization is the ma-



HARRISON PARKER

majority stockholder of the Peoples Life. The policy was written through the home office of the company and the entire negotiations consumed only seven days. The amount was reinsured beyond the limit carried by the company, ten companies carrying the risk, four taking \$400,000 of the total.

The Peoples Life found that despite the tremendous strain under which Mr. Parker has been working for the past year and the strenuous series of examinations through which he has been led, he was in perfect condition in every respect, passing the medical examination without a flaw. Mr. Parker is paying the premium on this policy, which is temporarily to cover a private transaction, the beneficiary now being the H. M. Byllesby Company, though when this is completed his heirs will become beneficiaries.

Rural Business Slower

"We find that the insurance business is a trifle slow in the rural districts," said John M. Sarver, president of the Ohio State, in discussing conditions in the insurance world. "The cities are a little better but all in all business is not much better, if any, than it was last year. However, we look forward to prosperous times."

son, president of the association, and Frank A. Wesley.

The committee also discussed plans for a picnic for employees of all insurance companies in Pittsburgh. James Campbell of the Northwestern Mutual was chosen chairman of a committee to outline arrangements for the affair and report at the general agents' meeting, June 13.

AGENCY SUPERVISOR

HIGH-CLASS MAN wanted for good company connection to travel Indiana, Ohio and Kentucky on salary and expenses. State qualifications in full. Address **B-10**, care The National Underwriter.

COMPANY'S EXPERIENCE

DOUBLE INDEMNITY RESULTS

Review of 13 Years Given in Tabular Form by R. M. Webb at Chicago Convention

An actual experience of the double indemnity feature of the life insurance policy, based on a company's writing of it from 1909 to 1921, was given by R. Montague Webb of the Kansas City Life, in a paper read before the annual convention of the American Institute of Actuaries in Chicago last week. Mr. Webb reviewed the actual experience of the company since 1909, although it was not until 1914 that the volume had attained \$20,000,000. It does, however, give the trend of this business over 13 years in this company. Based upon an old census report and a booklet published by Travelers, Mr. Webb built an expectancy table about 13 years ago. The close following of the actual experience to the expected is shown by a table giving the yearly results from 1916 to 1921, with exposed risks, claims and expected claims, and percentage, as follows:

Yearly Results

Year	Exposed	Actual Claim	Expected Claim	Per Cent
1916	\$28,885,000	\$14,500	\$29,698	48.82
1917	34,298,000	27,000	35,318	82.29
1918	41,177,000	29,500	42,346	69.55
1919	54,352,000	57,600	55,737	103.34
1920	67,439,000	66,500	69,130	96.20
1921	70,171,000	74,000	71,629	103.31

Detailed Results by Age

The detailed results by age for each year of the same period were compiled by Mr. Webb, the tables for ages 16 and 21 being as follows:

Expected Claims, From Death Due to Accident, By Years and Attained Age

Attained Age	Special Probability of Death	Expected Claims for the Year 1916	Expected Claims for the Year 1921	Ex-pected
20	1.157	\$74,000	\$433	\$409,000
21	1.144	705,000	807	1,143,000
22	1.133	902,000	1,022	2,036,000
23	1.121	897,000	1,000	1,708,000
24	1.109	911,000	1,010	1,991,000
25	1.098	946,000	1,039	1,906,000
26	1.088	1,033,000	1,124	2,113,000
27	1.080	1,037,000	1,130	2,277,000
28	1.072	1,070,000	1,148	2,495,000
29	1.067	1,062,000	1,132	2,489,000
30	1.063	1,114,000	1,184	2,464,000
31	1.056	1,062,000	1,121	2,635,000
32	1.047	1,176,000	1,231	2,741,000
33	1.040	977,000	1,016	2,677,000
34	1.032	1,010,000	1,042	2,545,000
35	1.024	943,000	966	2,776,000
36	1.016	997,000	1,013	2,732,000
37	1.007	1,592,000	1,603	2,778,000
38	.997	921,000	918	2,457,000
39	.987	897,000	885	2,425,000
40	.978	910,000	890	2,398,000
41	.969	925,000	799	2,515,000
42	.961	769,000	739	1,953,000
43	.953	682,000	650	2,032,000
44	.947	700,000	663	1,894,000
45	.942	630,000	612	1,811,000
46	.937	598,000	560	1,615,000
47	.932	547,000	510	1,453,000
48	.927	476,000	441	1,350,000
49	.924	422,000	390	1,337,000
50	.923	427,000	394	1,115,000
51	.927	392,000	372	975,000
52	.936	357,000	341	887,000
53	.946	319,000	307	680,000
54	.956	236,000	226	580,000
55	.965	256,000	247	581,000
56	.980	190,000	186	364,000
57	1.000	149,000	169	312,000
58	1.019	134,000	137	307,000
59	1.037	121,000	125	263,000
60	1.054	102,000	108	254,000
61	1.071	59,000	62	198,000
62	1.091	58,000	61	139,000
63	1.116	35,000	37	112,000
64	1.146	25,000	40	99,000
65	1.181	28,000	116	251,000

\$28,885,000 \$29,698 \$70,171,000 \$71,629

Ratio of Deaths to Exposures

This experience has been given in amounts and not by lives or policies, on account of the small number of deaths and the irregular incidence by age. However, it was possible for Mr. Webb

Some executives in need of salaried employees go on expensive prospecting tours; others let an ad of this size and appearance bring applications to them. One inch, one column wide, one time \$3.75.

to give the figures by policies for the ratio of deaths to exposures at all ages year by year, which he did as follows:

Ratio of Deaths To Exposed By Policies

Year	Number Exposed	Number of Deaths	Ratio of Deaths to Exposed	Per 1,000
1909	210	2	.009524	9.52
1910	2,079	9	.004329	4.33
1911	2,967	2	.000504	.50
1912	7,052	0	0	0
1913	10,190	9	.000883	.88
1914	12,572	13	.001010	1.01
1915	16,337	14	.000857	.86
1916	17,671	11	.000622	.62
1917	20,603	15	.000728	.73
1918	23,960	17	.000710	.71
1919	29,925	23	.000741	.74
1920	36,426	29	.000796	.80
1921	37,074	34	.000917	.92
Total	218,366	169	.000774	.77
Totals for the years 1916				
1921 incl.	165,659	129	.000779	.78

Merger Boosts Iowa Company

The reinsurance by the State Life of Des Moines of the business of the Occidental Mutual Benefit Association of Salina, Kan., gives the Iowa company total business in force of over \$28,000,000, according to William Koch, vice president. It now has 14,000 policyholders. The Occidental had 3,923 policyholders in Kansas, with total business in force of \$4,460,000. This is approximately the same amount taken over by the State when it reinsured the life business of the Union Life & Accident of Lincoln, Neb., recently. Half a dozen employees of the Kansas concern will be added to the office staff of the State. The Iowa and Kansas departments have approved the merger. All of the Occidental business was reinsured on a legal reserve basis.

Although the State Life is only three years old, it is a husky youngster and growing rapidly. In May, the company's own agency organization wrote \$765,000 in new business, setting a new record. The Occidental has been operating in Kansas for 20 years.

Limits Mississippi Activities

The Penn Mutual Life will limit its activities in Mississippi, according to reports received from that state. The company hereafter will issue only \$25,000 on one life, including its present retention on any life, will accept only a limited amount of term insurance, and has withdrawn altogether from a number of counties in the delta section of Mississippi. The company is represented in northern Mississippi by Bolling Sibley, general agent at Memphis, and in the central and southern section by Bufkin & McLean, general agents at Jackson.

There has been considerable discussion of the withdrawal of the Penn Mutual entirely, the question having first come up in 1921. Malcolm Adams, assistant supervisor of applications and death claims, recently made a visit to Mississippi, representing the home office.

Shows Record Increase

According to Agency Manager Arthur J. Hill, the Southern California department of the State Life of Indiana shows an increase of 340 percent in volume of business produced the first four months of 1922, as compared with the same period last year.

"Miracle" of Life Insurance

IN a recent laudatory article written by the editor of a magazine for salesmen, "How to Sell—and What," The Columbus Mutual Life Insurance company of Columbus, Ohio, was declared to be the "Miracle" of Life Insurance because of its success in reducing cost of insurance and building up its surplus and because of what it has done for agents—enlarging their opportunities and increasing their rewards. Other companies in time, the editor predicted, will be obliged to adopt the methods inaugurated by President C. W. Brandon. "The accomplishments of Mr. Brandon are the marvel of insurance men," he wrote. "They never thought it could be done. Now they are laying their tributes at Mr. Brandon's feet."

So great has been the demand for this magazine article that it has been republished in pamphlet form. The first edition of the pamphlet was quickly exhausted and a second issue has been published. A copy will be sent free to any one writing his name and address in the margin of this notice and forwarding to the Home Office.

The Columbus Mutual continues to astonish. In 1921, it issued practically the same volume of new business as in 1920, the "wonder year." It showed a gain of 25% in total volume, a gain of 33% in assets and a gain of 45% in surplus. Policy dividends were 50% greater than total death losses. The company is constantly enlarging its agency force. New agents added in 1921 wrote one-third of that year's total production.

THE MIDLAND MUTUAL LIFE INSURANCE
Company of Columbus, Ohio, an established, conservative, high-grade and progressive Middle Western Company, has been admitted to Pennsylvania and will thoroughly organize it at once.

General Agencies will be established at places where territories can be arranged.

Men of character may apply to their advantage and those with local acquaintance will be preferred.

Address Home Office.

One **SECRET OF OUR SUCCESS IS SERVICE** We have a contract for you under which your income will be limited only by your activities.
A REAL PROPOSITION FOR A REAL MAN
FEDERAL CASUALTY COMPANY, DETROIT, MICHIGAN
Cash Capital, \$200,000.00 V. D. CLIFF, President



The Masonic Mutual Life Association

This Did Not Happen by Chance

New Insurance Issued in 1921	\$42,448,000.00
Gain in Insurance in Force	30,124,750.00
Insurance in Force Dec. 31, 1921	101,222,295.00
Assets	4,613,494.57
Increase in Assets	1,518,934.00
Increase in Reserve	1,282,156.00
Increase in Surplus	225,575.00

Unexcelled Life Insurance Protection — Lowest Net Cost
Absolute Security — Perfect Service — Square Dealing
A Satisfied Field Force
William Montgomery, Pres. Homer Building, Washington, D. C.

Added Agency Opportunities

Advantageous agency contracts are open to men of established ability and integrity. Standard policy forms are now issued to male risks between the ages of 10 and 60 and to female risks between the ages of 15 and 60.

The entering of extensive additional territory is contemplated during the current year.

CONTINENTAL LIFE INSURANCE COMPANY

ST. LOUIS, MISSOURI

EDMUND P. MELSON, President

J. DE WITT MILLS, Secretary

Founded 1865

THE PROVIDENT LIFE AND TRUST COMPANY OF PHILADELPHIA

Penna.

Provident Endowments protect against the Economic Loss caused by the Termination of an insured's Producing Power through Death or Old Age. The new Disability Clause adds protection when the Producing Power is terminated prematurely through Total and Permanent Disability.

Endowments in the Provident mature on the average approximately at 65. Between 25 and 65 the expectation is that one person will be totally and permanently disabled for every six persons who will die.

When the Disability is Total, 90 days' continuance establishes presumption of permanence. Without affecting other policy benefits, premiums are Waived and a Disability Income commences which (the Disability remaining permanent) *continues for life* and does not cease when the Endowment Matures.

Fourth and Chestnut Streets
Philadelphia, Pa.

TO LIFE COMPANIES

The National Underwriter Company has unusual facilities for getting out company rate-books, dividend booklets, etc., for companies requiring the finest work, quality of paper, etc. Our publication of the Little Gem Life Chart, Unique Manual Digest, etc., gives us the necessary experience in handling difficult and compact set-ups of the pages and proper binding either in real leather or fabrikoid. The ordinary printer will have difficulty in handling this class of work and without experience will not turn out a high grade job.

Our prices have proved in competition to be the lowest, due to the experience and facility gained by our printers in handling the Digest and Little Gem.

If you contemplate getting out a new rate-book in the near future, write us.

THE NATIONAL UNDERWRITER COMPANY

420 East Fourth Street
Cincinnati - - Ohio

Indiana National Life Insurance Company

INDIANAPOLIS, INDIANA

Splendid territory open in Indiana, Michigan and Illinois, for District and General Agents, who are capable of handling men.

Best Commissions and Renewals. Renewals once earned will be paid you or your estate. If interested in building for yourself, write

C. D. RENICK, President

ERNEST E. WEBSTER, General Agency Manager

SUBSTANDARD IS BIG TOPIC OF ACTUARIES

(CONTINUED FROM PAGE 2)

Company" indicated, Mr. Hunter gave the matter from the viewpoint of the younger and smaller company, presenting no definite suggestion, but rather suggesting that each company study its own conditions and apply the proper method, for the same method brings equal results in no two companies. Mr. Hunter's paper was a valuable addition to the library of the younger companies, and given from the study of a large office was especially representative.

Mead Reviews Evolution

Franklin B. Mead of the Lincoln National Life then gave his paper on "Substandard Insurance: Its Evolution and a Review of Some of Its Principles." In this paper a complete history of the writing of the business was given. This alone was a sign of deep study on the question and the following part on the principles was further evidence of this, Mr. Mead giving an additional volume of material on the various methods of applying the underwriting practices, also pointing his remarks mainly to the younger company. These two papers precipitated one of the most interesting and most generally entered discussions ever enjoyed by the Institute and the views and experience of many of the offices writing the business were brought forth. The discussion opened in the early part of the morning and continued until the business meeting in the latter part of the afternoon, which closed the convention of the Institute.

The officers elected in addition to Mr. Cathles were: James Fairlie, Mutual Life of Illinois, vice-president; G. B. Pattison, Peoria Life, secretary; B. J. Stookey, Illinois Life, treasurer. The following members were elected to the board of governors: R. G. Hunter, Equitable of Iowa; J. G. Parker, Imperial Life of Toronto, and D. F. Campbell, of Armour Institute in Chicago.

Cerf Agency Making Record

Indicative of the constant improvement in business conditions, the L. A. Cerf agency of the Mutual Benefit in New York City, reports May, 1922, as the largest month in its history in submitted business. Applications totalling \$4,215,262 were submitted, representing a gain of approximately \$150,000 over the best previous month, which was in January, 1920, at the height of the life insurance boom. This also represents a gain of \$1,481,582 over May of last year.

Last year the agency paid for over \$24,000,000, which was a little behind 1920 but considerably ahead of any year previous to 1920. For the first five months of 1922, the total paid-for business ran \$2,000,000 ahead of the first five months of last year, indicating in the judgment of Mr. Cerf a very noticeable improvement in general business conditions, if life insurance can be viewed as a barometer.

The business this year has been considerably swelled by a number of large policies, but the agency is running far ahead in the number of applications.

O. C. Durand, general agent at Los Angeles of the Kansas City Life, is absent on a short trip to the home office of his company.

ANALYSIS OF TWISTING BY OHIO OFFICIAL

(CONTINUED FROM PAGE 1)

and enforce the insurance laws under the provisions of that section was to revoke the license of the offending company as the superintendent did. The law gives him continuing powers of supervision and requires him to see that the laws are enforced."

Sends Out a Scout

It appears that M. usually sends some person in his employ to arrange an appointment with the prospect. When he gives advice to such client it is with the express or implied understanding that he possesses extraordinary knowledge of the subject of life insurance and is able to explain the workings and advantages of its various forms. His work is of course done with a view of receiving compensation from some source or another, sometimes from the policyholder.

His relation to those whom he advises is, in my opinion, of a highly confidential nature; as much so as that of an attorney who is called upon to prepare a will. In fact the relationships are very similar except that here M. advises the client what to do instead of doing what he is directed to do in a proper and legal manner. A life insurance contract is more involved than the ordinary will. Its provisions and options are more difficult for the ordinary man to understand. The consequences of selection are realized usually in the old age of the insured or even after his death.

As I understand it, the expert advises in most cases a change in the insured's policy, and sometimes his compensation depends upon such change being made. It is my opinion that such an expert is bound to disclose to the insured each and every fact which could fairly be said to influence him toward the retention of the insurance which he has, or the suggested change. It would not be sufficient for the expert simply to point out the benefits which the policyholder may receive by the change; attention should be called also to the disadvantages, or waiver of rights or privileges resulting therefrom which might fairly be held to be sufficient to influence the insured.

It is urged by one side that unless there is a violation of Section 9408, M's license must issue. That section is as follows:

"No life insurance company doing business in this state, and no officer, director or agent thereof, shall issue or circulate or cause or permit to be issued or circulated any estimate, illustration, circular or statement of any sort misrepresenting the terms of the policies or policy issued by it or the benefits or advantages promised thereby, or the dividends, or shares of surplus to be received thereon, or use any name or title of any policy or class of policies misrepresenting the true nature thereof, nor shall any such corporation, or any officer, agent, solicitor or representative thereof, or any other person or persons, make any misrepresentations to any person insured in any life insurance company for the purpose of inducing or tending to induce such person to lapse, forfeit or surrender his said insurance."

Misrepresentation Is Charged

It is urged that whatever the ethics of the insurance business may be said to demand, there is no violation of the law or no basis for the refusal of a license unless it is shown that M. is guilty of misrepresentation. Misrepresentation is defined in Clark on Contracts, Section 135, as

"An innocent misstatement or a non-disclosure of facts."

Misrepresentation under certain circumstances may consist as well in concealment of what is true as in the assumption of what is false. (Kerr on Fraud and Mistake, page 98.)

The concealment must be of a material fact and there must be a duty to make the disclosure. When such elements exist the failure to speak coupled with the request to act on what has been stated is misrepresentation.

Clark on Contracts 3rd Ed., page 272: Under such circumstances non-disclosure is constructive fraud. Page on Contracts, Sec. 407. Elliot on Contracts, Sec. 123.

Is there any proof that M. does not in his methods make such full disclosure of facts as is necessary under the above rules?

There is testimony offered by both sides regarding several transactions which the complainants urged were objectionable, which statements M. denied. Attention was given chiefly to a case

in which one B. had been advised to surrender certain ordinary life policies in participating companies, pay off loans thereon, purchase new insurance for approximately the same amount in a non-participating company and invest the cash remaining. In January, 1922, M. gave B. the following estimate or illustration, the names of the companies being omitted.

Personal Insurance		Premium Present	Premium Future (Jan. 10)	Cash Reserve	Loans
Co.	Plan.	Amount			
Y		\$10,000.00	\$ 310.90	\$2,488.00	
		20,000.00	628.30	4,600.00	
		\$30,000.00	\$ 937.10	\$7,088.00	
	Div.		225.61	5,660.00	
			\$ 713.49	\$1,428.00	Cash
	Interest charged		303.00	7%	Int.
			\$1,016.49	\$ 99.98	
Loans			Interest		
Y		\$2,000 @ 6%	\$120.00	Rate age 53	
		3,660 @ 5%	183.00	\$44.36	
			\$303.00		
Summary					
Present Condition					
\$24,310 Worth of Protection—Annual net cost					
No cash					
Improved Condition					
\$25,000 Modern Protection—Annual net cost					
1,428 Cash					
\$26,438					
24,340					
\$ 2,098 Increase to your estate.					

It seems to be conceded that the figures for the dividend appearing under "Present Premiums" should have been \$185.40, which change would, of course, be in favor of M's plan.

Were All the Facts Given?

Did this statement disclose all the facts which B. was entitled to know in reaching his conclusion? Under "Present Condition" appears the language, "\$24,240.00 worth of protection—Annual net cost \$1,016.49. No Cash." As explained, \$1,056.70 should have been used instead of \$1,016.49.

What is the inference to be drawn from the use of the term "Annual Net Cost"? Would not the ordinary person understand that figure would remain constant? Insurance was taken by B. at age 29, his age at the time of the proposed surrender was 53, and his expectancy then was 18 years. The net cost of the existing policies is arrived at by using the dividends available in October, 1921, but the dividends of the X. company were lower and consequently the net cost of the insurance therein higher than in any year since 1915. The epidemic of influenza seems to have been responsible for the low dividends of 1921. As a matter of fact, the net cost of policy X in 1920 was \$22 less than in 1921, \$20 less in 1919, \$17 less in 1918, \$15 less in 1917 and \$10 less in 1916. It is a practical certainty, shown by the general experience of life companies, that the deductions on both these policies would have increased continually and that each year the cost of protection would have been considerably lower.

Old Policies Were Cheaper

I have made somewhat extensive calculations from figures available and estimates based on the former experience of these companies and I have come to the conclusion that B. could have carried his old policies and paid interest on his loan during the period of his expectancy for at least a \$1,000 less than he could have carried his new policies, allowing a yearly credit on premiums of the latter, equal to 7% of \$1,428, the cash equity.

I am also of the opinion that he could have carried the additional protection of \$660 during the period of the expectancy along with his old policies for a less

sum than the new policy would cost, interest treated both ways as above. Assuming that it was B's primary purpose to obtain protection, I do not believe that any substantial benefit would be realized by the change advised, not overlooking the cash equity. The basis for this assumption is, of course, the expectancy of 18 years, which it seems fair to consider.

Inaccuracies Pointed Out

The premium and reserve amounts on both policies, as contained in the statement, seem to be correct. M. has subsequently to the hearing advised me that the cash value of the "Y" policy should have been \$5,075. That policy, however, became effective in October, 1907, and at the end of the fourteenth year, in October, 1921, had a value of \$4,600. If the reserve be taken as of October, 1922, it would be fair to consider the net cost as of that date, which would be \$16 less than the amount used in the statement.

There are some other inaccuracies, for instance, the interest on the "X" policy, \$120, was not payable in advance and so would be a liability on B's, whether he surrendered his policy or not. If the interest accrued amounted to \$120, that sum should be deducted from the \$1,428 cash remaining. Again the interest on the latter sum, \$99.96, as calculated, would not be available for a year after the surrender and consequently could not be applied to the reduction of the first premium on the new insurance.

Interest Rate of 7% Assumed

The computation includes an interest rate of 7 percent on the cash equity in the old policies. Now while it may be said that B. could determine for himself the interest which he could realize on available cash, I do not believe that that rate should have been included in the statement. The cash would be subject to taxation unless invested in some non-taxable security. It is very hard to see how such security yielding 7 percent could be purchased at par. Human experience demonstrates that it would be practically impossible to keep this amount invested on a satisfactory security so as to not more than 5 percent. The highest rate permissible, on the valuation of life policies, is 4 percent. G. C. Sections 636, 9362. This is a kind of legislative declaration as to a figure of safety.

As I have said, the main criticism of the statement lies in the summary, where the impression is given by the use of the terms "annual net cost," that the premium of the old policies would remain constant. Certainly there is nothing to direct the attention of the insured to the practical certainty that it would decrease. It may be said that no one can tell whether or not dividends can be paid in future. That may be literally true, but X and Y were large and well-established companies and any person who possessed an expert knowledge of insurance would know that there would be some decrease in net cost in the amount of these premiums. This was a material fact and should have been communicated to the prospect.

Against Sound Policy

Transactions such as these, unless they are of benefit to the insured, are against sound policy. The disturbing of insurance is looked upon with great disfavor

MR. SUCCESSFUL LIFE INSURANCE AGENT

Do you want to secure a General Agency for yourself? If so, read this, it is

WORTH KNOWING

A \$5,000 Policy in the United Life and Accident Insurance Company guarantees

FIRST, that in case of death from any cause, \$5,000, the face of the Policy will be paid.

SECOND, that in case of death from any ACCIDENT, \$10,000, or double the face of the Policy, will be paid.

THIRD, that in case of death from certain specified accident, \$15,000, or THREE TIMES the face of the Policy, will be paid.

FOURTH, that in case of total disability as a result of accidental injury, the Company will pay direct to the insured at the rate of \$50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of \$25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less?

Annual Premium, Age 35, Ordinary Life, \$128.05.

Twenty Payment Life, \$167.10. Twenty Year Endowment, \$235.10.

UNITED LIFE & ACCIDENT INSURANCE CO.

Home Office, United Life Building

Concord, New Hampshire

The Last Word In Service

Through its free Health Service, The Guardian protects the policyholder's health as well as his life. For five years this Company has offered to its policyholders the well-known service of The Life Extension Institute without charge. That it has been of incalculable benefit to the Company's clients is proved by this analysis of last year's experience:

67% of policyholders examined revealed moderate physical defects or impairments.

25% showed advanced physical defects or impairments.

6% were seriously impaired.

Through these examinations it was possible to make the "stitch in time," thus preserving health and prolonging life.

If you want to know the whole story of what this Company is doing for its policyholders and agents, address:

T. LOUIS HANSEN, Vice-Pres., or GEO. L. HUNT, Supt. of Agencies

The Guardian Life Insurance Company

OF AMERICA

Established 1860 under the Laws of the State of New York

Home Office:

50 Union Square, New York



"SAFE AS A GOVERNMENT BOND"

The OHIO STATE LIFE

LIFE, HEALTH, ACCIDENT AND MONTHLY INCOME INSURANCE.

SEE →

LATEST POLICIES AND AGENCY CONTRACT

FOR FACTS

Openings OHIO, IND., KY., MICH. and W. VA. Write Columbus

"The Capitol Life Insurance Company desires to obtain the services of good, reliable agents in all unoccupied territory. Please address the company for further information."

The Capitol Life Insurance Co. of Colorado

Clarence J. Daly, President

Denver, Colorado

INDIANAPOLIS LIFE INSURANCE COMPANY

OPERATING IN

Indiana, Illinois, Michigan, Texas, Florida and Minnesota

NOTED FOR

Large Annual Dividends, Modern Policies, Clean Record

FRANK P. MANLY, President

REAL OPPORTUNITY

For a producer and organizer with a small but substantial legal reserve company in Northwest—as General Agent—on old time commission or commission and salary contract. Must have good record as to production and character. If interested, write, giving references.

Address B-5

Care The National Underwriter

The Close of the Day's Work

WHEN you begin to figure up your earnings and recall the several reasons for failures during the past year, you then more than any other time keenly realize the importance of a helpful constructive home office service that trains you to overcome such failures.

One of the vital elements which makes your day profitable is a harmonious working arrangement with home office officials and a direct co-operative spirit generously given.

All this and more we constantly strive to give our agents. This coupled with good policy contracts and liberal commissions, is an incentive which should interest any ambitious agent who wishes to make the most of his salesmanship efforts.

We would like to hear from several good men for important field positions

Inter-Southern Life Insurance Company

JAMES R. DUFFIN, President

LOUISVILLE, KENTUCKY

MAINTAINING THE RECORD IN MICHIGAN

During the first four months of 1922, the Detroit Life Insurance Company's agents wrote \$4,911,000 of new business. Last year the agents of this Company established a record of better than a Million a Month in Michigan. The Detroit Life is beating that record this year.

This new record is evidence of further progressive co-operative efforts. The Detroit Life has agents and offices in most towns and cities in Michigan, yet there are a few openings for high class representatives in some Michigan communities.

Any life insurance man or woman anxious to make new affiliations, will do well to communicate with us.

HOME OFFICE
Corner Woodward and Forest Avenues
DETROIT

M. E. O'BRIEN, President

DOWN-TOWN OFFICE
1005 Majestic Building
DETROIT

JAMES D. BATY, Secretary and Treasurer

The Companies That Stay Are the Companies That Pay

When a company has proven its staying qualities, as the Western Reserve Life Insurance Company of Muncie, Ind., has, the agent who desires to be a general agent can think favorably of that institution. Permanent success can only be attained through a permanent connection. The companies that stay are the companies that pay the representative in the long run.

WESTERN RESERVE LIFE INSURANCE CO.

J. H. Leffler, Acting President John W. Dragoo, Secretary Harry H. Orr, General Counsel
MUNCIE, INDIANA

SECURITY LIFE INSURANCE CO. OF AMERICA

O. W. JOHNSON, President

ROOKERY, CHICAGO

INSURANCE IN FORCE	\$37,000,000
Assets	4,074,586
Payments to Policyholders since Organization	3,453,460

Openings for General Agents and Managers in Fifteen States

Address S. W. GOSS, Vice-President and Manager of Agencies



George Washington Life Insurance Company

A Definite Territory
A Liberal Contract
Low Premium Policy Contracts

Opportunities open in West Virginia, Ohio, Kentucky, Tennessee, Virginia, North Carolina, South Carolina and Georgia. Address:

ERNEST C. MILAIR, Vice President and Secretary

by those who are most familiar with the life business. Insurance departments disapprove it, insurance companies discourage it, and most of the agents are against it. It involves the payment of commission or compensation by an insurance company or by the insured. If practiced by every agent, it would virtually put an end to the writing of policies having accumulated values. It would discourage the purchase of life insurance as a method of saving. The probability of company's being called upon to pay the reserve upon its policies would limit the making of stable or permanent investments of any kind of character. The overwhelming judgment of the insurance world is against disturbing life business and this fact is very persuasive.

New York Opinion Quoted

As stated by the superintendent of insurance of the New York department, July 8, 1909, in the matter of Burr:

"Section 60 of the law was enacted to prevent the unsettling of insurance already written. If enforced, it protects the business of companies from raids from unscrupulous agents of other companies on policies already in force and it also protects the insured from the loss which inevitably follows the lapsation of insurance in any reputable company. The only one who really gains by the process of shifting insurance of some years' standing from one such company to another, is the agent, who is making his commission in the transaction. It is confusing and difficult enough for the ordinary layman to come to a conclusion regarding his insurance amid the persistent and conflicting advice to which he is subjected from resourceful and eloquent agents as soon as he shows the first symptom of becoming a willing and select risk. But when he has solved the problem once to his satisfaction and has deliberately chosen his company and becomes insured therein, the least that can be asked is that he be left to pay his premiums and enjoy his insurance in peace. If, however, this is asking too much of an overzealous agent, who, driven by an over-compelling desire to earn a commission, must argue and argue with him to change his insurance to the particular company he represents, then the least the department can do to help maintain normal conditions in the insurance field is to insist in a very positive manner that nothing but the unadorned truth will be tolerated from such agents engaged in this so-called 'readjusting' business. This it intends to do."

Tennessee Ruling Given

In April, 1916, the insurance commissioner of Tennessee ruled that:

"It is hereby ruled that this practice is in violation of Chapter 455, Acts of 1907, as printed above, and since 'twisting' necessarily involves misrepresentation to the detriment of the assured, whether intentional or not. In any well-established case of 'twisting' the commissioner will submit the facts to the company represented by the agent involved to ascertain if the company approves the act. If the company does not cancel the contract of the offending agent, then the agent's license will be revoked by the commissioner, as provided by the law. This does not apply to term policies, as they are not permanent policies."

"Twisting" is not only prohibited by the above law, but the practice is against public policy. In considering violations, no argument will be heard as to whether the assured in the particular case was benefited. Nothing will be considered but the fact itself."

It will be observed that the latter ruling goes further than the decision in this case, the commissioner holding that the question of benefit to the insured is not material. I base my conclusion here on the proposition that no substantial benefit results in a case of this character and that if the insured fully understood the future value of his policies, in most cases, he would not disturb them.

Misapprehension Is Left

Entertaining the views I have expressed, and having reached the conclusion that the system used by M. is subject to criticism, in that it leaves the policyholder under a misapprehension as to the future benefits under established policies. I shall decline to renew the license. It has been suggested by counsel that the hearing before the superintendent of insurance does not admit of the complete presentation of a case because the means of bringing in witnesses and taking testimony under oath and

subject to cross-examination here, are not sufficient. There are practically no reported cases that I have been able to find on the question we have presented here, and I should like to see a judicial determination of it. It is important, not only to M. but to all agents, insurance companies, departments and policyholders. Accordingly, I should be glad to see my decision reviewed. If the applicant and his counsel desire to do this, I shall be glad to enter appearance in a proper action and do everything possible to expedite the matter.

Substandard Committee Meets

The fourth meeting of the special committee on substandard insurance appointed by the American Life Convention at its annual meeting last fall was held in Chicago this week. The committee is preparing a comprehensive report on substandard business to be submitted at the annual meeting of the American Life Convention at Milwaukee in September. Those who attended the meeting in Chicago this week were C. H. Beckett, State Life of Indiana; Lawrence M. Cathles, Southland Life; Dr. H. A. Baker, Kansas City Life; George Graham, Central States Life; T. A. Phillips, Minnesota Mutual; J. S. Hale, Northwestern National; L. D. Cavanaugh, Federal Life of Chicago.

Agency's Annual Outing

The third annual outing of the Cerf agency of the Mutual Benefit in New York will be held at Bear Mountains June 12. About 125 full-time agents of the Mutual Benefit will make the trip. Following tradition, the downtown and central branches of the agency will compete in baseball for a silver loving cup. Other sports and a banquet will be additional features.

Niagara Life Examination

The report of the examination of the Niagara Life of Buffalo by the New York insurance department has just been filed. It shows that on Dec. 31, last, the company had total admitted assets of \$2,007,487. The reserve for outstanding policies is calculated at \$1,754,977 net. After making provision for other obligations the examiners credit the company with \$10,787, surplus beyond the \$150,000 capital. The total premium income of the company last year was \$314,198.

Equity Life Expanding

The Equity Life of Great Falls, Mont., which entered Minnesota last September, has since that time sold over \$600,000 of insurance in that state, according to C. W. Cleveland, secretary-treasurer. At present all the activities in Minnesota are directed from the general agency at St. Paul, but plans are being made for the establishment of other offices throughout the state.

Continental in New Mexico

In addition to the other territory recently entered by the Continental Life of St. Louis, the company has entered New Mexico and general agency arrangements are now being made. The company wrote almost \$2,000,000 in new business in May approximately 50 percent of this amount coming from the new organization.

RECORD FOR SOUTH DAKOTA

Northwestern National Life was the State Leader Last Year in Way of New Business

The new life business in South Dakota last year amounted to \$38,131,233 for the outside companies and \$5,144,367 for the Dakota companies. The companies writing over \$1,000,000 in the state last year were the Bankers Life of Iowa, \$1,401,158; Equitable of New York, \$1,470,545; International Life, \$1,304,936; Lincoln National, \$1,283,860; Mutual Benefit, \$1,192,321; Mutual Life, \$2,206,230; New York Life, \$2,904,226; North American of Chicago, \$1,408,700; Northwestern Mutual, \$1,754,500; Northwestern National, \$1,948,080. The Northwestern National, therefore, was the state leader among all the companies. The Dakota Life had in new business, \$2,488,456, and the First National \$1,840,036. The Policyholders National, which consolidated with the United States National, had \$815,875. The outside fraternalists wrote in new business \$1,183,354 and the South Dakota fraternalists wrote \$1,961,884.

Peak Starts Des Moines Building

Construction started this week on the George B. Peak Insurance Exchange building at Fifth and Grand, Des Moines. Mr. Peak is president of the Central Life of Des Moines. The new structure will cost \$1,000,000. It will be ten stories, fireproof and modern in every way. The building will be under roof by the time cold weather sets in and ready for occupancy by spring.

Observing Owens Month

June is to be known as Owens Month in the field organization of the Century Life of Indianapolis, in honor of the Century's president. It is planned that with each application sent in a card bearing the agent's name and address with the following on it, "June, Owens Month. Congratulations! May you stay for another 52 years." At the end of the month all the cards which have been sent in are to be presented to President Owens.

Phoenix Mutual's Davenport Meeting

A score of Phoenix Mutual Life agents in eastern Iowa were guests of Manager L. M. B. Morrissey at Davenport last week. C. A. Secoy, manager of agencies at the home office, attended and speakers at the dinner were Charles Grilk, attorney; William Heuer, president of the Union Savings Bank, and F. D. Throop, publisher of the "Democrat." Agents' opinions were that conditions had shown marked improvement in six months and were scheduled for continual development toward normal.

Northwestern Wins Tax Case

The Northwestern Mutual Life won a decision in the Wisconsin supreme court Tuesday, when that court affirmed a decision of the lower court reducing the value of the home office building at Milwaukee for taxation purposes from \$2,750,000 to \$1,700,000. The building was assessed at a valuation of \$350,000 for the land and \$2,750,000 for improvements, making a total of \$3,100,000.



Hotel La Salle

Chicago's Finest Hotel

Hotel La Salle has won this title with an experienced and critical public because of its happy blend of old and new ideals.

Hotel La Salle

answers every modern demand in equipment, cuisine and service with nothing lost of old fashioned hospitality and home-like comfort.

More Than 1¼ Million Policies Now In Force

Only four other life insurance companies in America have more policy contracts in force than this company. A study of the following growth in ten years is invited:

	Jan. 1, 1911	Jan. 1, 1916	Jan. 1, 1922
Assets	\$ 5,614,764	\$10,279,663	\$ 28,295,931
Policies in Force	371,106	613,615	1,294,394
Insurance in Force	49,245,028	89,596,833	265,197,626

Attractive opportunities open to agents in Ohio, Indiana, Kentucky, West Virginia, Pennsylvania, Michigan, Illinois, Missouri.

The Western and Southern Life Insurance Co.

W. J. WILLIAMS, President CINCINNATI, OHIO

Organized February 23, 1888

Having recently entered the States of *Texas* and *Minnesota* we have desirable territory open for General Agencies

Address Home Office

CENTRAL STATES LIFE Insurance Company

St. Louis, Mo.

BUILD YOUR OWN BUSINESS

Under Our Direct General Agency Contract

Our Policies Provide for

Double Indemnity Disability Benefits
Reducing Premiums

SEE THE NEW LOW RATES

ORGANIZED 1880

The Manhattan Life

INSURANCE CO.

66 BROADWAY

NEW YORK

New England Mutual Life Insurance Company

Boston, Massachusetts

New Insurance Paid-for, 1921 . . . \$ 82,072,020
Gain in Insurance-in-Force . . . 48,641,846
Total Insurance-in-Force . . . 609,415,082

New England Agents Write Persistent Business



17,651 CLAIMS PAID IN 1921

Most of the 17,651 claimants to whom we paid indemnity of \$1,107,718.38 for loss of time from injuries or illness are still adding regularly to their life insurance. These drafts are delivered by our own salesman ready to avail himself of a cordial introduction to the claimant's friends, or to provide the claimant himself with the additional life protection he intends to take sometime.

We can use more good men to help deliver the 20,000 claim drafts we will issue during 1922. If you want to make MORE MONEY a letter with satisfactory references will bring you full particulars.

BUSINESS MEN'S ASSURANCE COMPANY
W. T. GRANT, President KANSAS CITY, MISSOURI



To the Man Who Is Willing—and WILL

We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE

For Contracts and Territory, Address

H. M. HARGROVE - President
Beaumont, Texas

Rates per \$1000.00, age thirty, includes Double Indemnity for accidental death from any cause and a premium waiver with \$10.00 monthly income disability.

Ordinary Life.....	\$21.02	Endowment Age 50.....	\$44.82
20 Payment Life.....	31.12	Endowment Age 55.....	33.15
20 Year Endowment.....	44.82	Endowment Age 60.....	29.52
Coupon Bond.....	35.71	Endowment Age 65.....	25.78
Endowment Age 85.....	22.37	Endowment Age 70.....	20.42

District Manager wanted for Cincinnati and surrounding territory.

THE GEM CITY LIFE INS. CO., Dayton, Ohio



Southland Life Insurance Co.

DALLAS, TEXAS

The Progressive Company of the South

HARRY L. SEAY, President

Philadelphia Life Insurance Company

If you live in Illinois and if you desire to establish a Local General Agency in your city,

ADDRESS

Manager of Agencies or Michael Montague, State Agent
111 No. Broad Street Philadelphia, Pa. 1416 Mollers Building Chicago, Ill.

CONSERVATION OF BUSINESS

We are reinstating, revamping and cleaning up indebted policies for a number of Life Companies, thus standardizing and conserving the business, increasing the income, preventing lapses, and keeping the policyholders satisfied, and at practically no expense to the Companies.

Our references cover eighteen years of satisfactory service, and we respectfully solicit your patronage.

THE OTIS HANN COMPANY, Inc.
10 So. LaSalle St. Chicago, Illinois

"Easy to read, easy to digest, easy to remember, easy to put at work making dollars for me"—thus writes a buyer of "Easy Lessons in Life Insurance," a text and review book with quiz supplement. \$1.00. The National Underwriter Company, 1362 Insurance Exchange, Chicago.

LIFE INSURANCE BY STATES

KANSAS

	Issued	In Force
Kansas Life, Kan...	3,532,981	10,252,226
Nat. Res. Life, Kan...	9,516,000	9,511,000
Preferred Life, Kan...	2,276,309	2,219,309
Gt. Amer. Life, Kan...	1,944,540	5,652,057
Am. Home Life, Kan...	399,500	5,409,306

MISSISSIPPI

Aetna.....	O	1,315,332	1,606,979
Aetna.....	Gr	192,950	178,600
Alabama National...		105,500	132,000
Amer. Nat., Tex...	O	629,443	1,602,094
Amer. Nat., Tex...	Ind	748,861	2,076,986
Atlantic Life.....		440,909	2,383,819
Bankers Res., Neb...		234,865	551,665
Conservative, W. Va.		588,000	1,062,385
Cot. States, Miss...	O	186,500	1,502,077
Cot. States, Miss...	Int	51,000	78,734
Equitable, N. Y...	O	1,182,786	14,749,968
Equitable, N. Y...	Gr	34,686	189,981
Fidelity Mut., Penn...		353,282	3,660,260
Franklin, Ill...		1,695,055	9,409,549
Great Southern, Tex.		633,000	1,695,580
Gulf Coast, Miss...		1,140,670	4,961,220
Home, N. Y...		516,157	4,191,938
International, Mo...	O	1,133,585	1,444,552
International, Mo...	Gr		175,600
Interstate, Tenn...	O	68,500	471,000
Interstate, Tenn...	Ind	421,613	183,612
Jefferson Stan., N. C.		3,212,600	9,492,450
Lamar, Miss...		4,773,842	18,548,731
Life & Cas., Tenn...	O	343,250	765,250
Life & Cas., Tenn...	Ind	4,535,054	4,202,299
Lincoln Res., Ala...		342,500	1,936,372
Manhattan, N. Y...	O	1,895,656	5,409,933
Metrop., N. Y...	O	628,900	1,166,700
Metrop., N. Y...	Ind	1,283,254	2,306,736
Mich. Mutual, Mich...		210,413	1,813,384
Mississippi, Miss...	O	216,500	770,550
Mississippi, Miss...	Ind	1,922,773	2,373,163
Missouri State...		876,574	4,836,338
Mutual Benefit, N. J.		931,081	10,013,390
Mutual Life, N. Y...		5,528,984	36,744,542
Nat. L. & A., Ill...		725,789	3,646,684
Nat. L. & A., Tenn...	O	372,500	569,000
N. L. & A., Tenn...	Ind	2,997,551	3,915,978
New York Life...	O	5,961,914	49,245,464
North Car. Mut...		518,500	722,000
North Car. Mut...	Ind	1,587,987	911,826
Pacific Mutual, Cal...		851,358	5,081,539
Pan American, La...		709,780	2,778,633
Penn Mutual...		2,079,072	18,809,463
Phoenix Mut., Conn...		630,280	6,485,441
Protective, Ala...		65,000	229,082
Prov. L. & A., Tenn...		157,500	977,250
Prudential, N. J...		489,378	8,182,350
Reliance, Penn...		1,049,900	4,485,510
Security Mut., N. Y...		121,292	1,939,289
State, Ind...		60,385	1,413,675
Union Central, O...		1,210,973	11,456,747
United L. & A., N. A.		12,000	195,581
Vol. State, Tenn...		1,137,611	5,550,912

Travelers' Leading Branches

The eight leading branch offices of the Travelers in new paid for life business up to May 1, are New York City, Chicago, Baltimore, Brooklyn, Cleveland, Philadelphia, Milwaukee and Hartford. The leaders in new paid for accident and health premiums are Chicago, New York City, Hartford, Montreal, San Francisco, Kansas City, Des Moines and Philadelphia. The leaders in new increase paid for accident and health premiums are Chicago, Louisville, Newark, N. J., Atlanta, Cleveland, St. Louis, New Orleans and Milwaukee.

Russell Agency's "App a Week Club"

The home office agency of the Pacific Mutual Life has inaugurated what will be known as the "App a Week Club," in connection with which it has turned the entire agency loose in a "steep-chase." Every week there will be one hurdle or water jump to negotiate. A cash prize of \$25 is offered to all agents who negotiate 25 weekly hurdles or water jumps. The agent who survives all other contestants will receive an additional prize of \$25, or a total of \$50 to the winner.

O. C. Watson, manager of the Mutual Life of New York at Denver, is in Los Angeles on a two weeks' visit to southern California. Mrs. Watson has been spending the winter at Long Beach for the benefit of her health, but she is now greatly improved and expects to accompany Mr. Watson on his return trip to Denver.

Lessons Learned From Long Experience

ONE of the most successful life insurance men in point of reputation and financial standing (now retired), recently made the following statement: "After 30 years of experience and observation, if I was manager of an agency—

"I would not have any man who came from the ranks of another company.

"I would not have any man who did not put in his whole time with my agency. No brokers.

"I would not engage one not successfully employed at the present time, except under extraordinary circumstances.

"I would not contract with a man of previous bad reputation with the thought of reforming him.

"I would not keep one with me who sold or tried to sell insurance only to his friends.

"I would not care for an agent who did not keep books and know how he stood financially from day to day.

"I would not consider having associated with me a man who was not cheerful, kind hearted, and clean—morally as well as physically.

"I would give preference where possible to college graduates.

"I would employ salesmen of other lines."—W. P. Kent.

Equitable Men at Helena

Thirty Montana and Wyoming agents of the Equitable Life of New York met in a district educational conference in Helena, Mont., last week. J. H. Harrop, Helena manager, and W. W. Klingman, manager of the Minnesota and Dakota agency with headquarters at St. Paul, were the leaders of the local convention. J. R. Ewart, Wyoming banker and speaker of the house of representatives in that state, addressed the meeting on "What Your Banker Thinks of Life Insurance."

Plan Another Portland Meeting

The first district convention of the West Coast Life, held recently in Portland, Ore., was such a success that Vice-presidents Helder and Thomson, who attended, encouraged plans for another to be held next year in Seattle. During the last week prior to the meeting the field men of the northern department broke all previous records for one week's production by presenting the visiting vice-presidents with over \$136,000 of completed business.

American Bankers' Purchase

The American Bankers of Chicago has purchased the five-story flat building adjoining its home office property at Cass and East Ohio streets, Chicago. Until now the company has owned an L-shaped piece of land upon which its home office building stands. It has for some time been ambitious to acquire the entire corner, and recently completed the deal. The company now has a lot 100 by 100, in a location where property values are increasing rapidly.

Series of Sales Schools

The Western States Life of San Francisco announces the inauguration of a series of salesmanship schools to be conducted at the branch offices of the company throughout the Pacific Coast. Charles R. Miel, head of the company's educational department, is in charge of the schools and will start the first week in Portland, Ore. The cost of the course to outsiders is nil, the company publishing invitations to enroll in the local newspapers.

Columbus Mutual Convention

The annual agency convention of the Columbus Mutual Life will be held at Cedar Point, O., Aug. 16-18.

MODERN BUSINESS GETTING METHODS

Men on Firing Line in Chicago Offices Tell "Inquiring Reporter" About Their Problems and How They Get Business

IN order to get an accurate idea of just what personal producers of life insurance were thinking and saying and doing these days, THE NATIONAL UNDERWRITER sent one of its staff reporters into six of the largest general agencies in Chicago last week. Six rate book men were interviewed. The reporter selected men whom he had never seen or heard of before. They were interviewed at random. They were asked how they had found business during the past six weeks, what arguments they were using, what sales points had been found most effective, what they thought of the life insurance outlook and several other similar questions designed to evoke comment. All of the men interrogated are hustling agents who are producing a very substantial volume of business for their companies. What these life insurance writers have to say is interesting because it is a direct reflection of conditions in the selling side of the business. As Ring Lardner might say, this is "right from the feed-box." Anyone producing life insurance will be interested in what these men have to say.

William B. Sale, Equitable Life of New York.—"How do I sell 'em? By going after the people that have the money. I haven't sold as many as four \$1,000 policies in the last eight months. They have been running \$5,000, \$10,000, \$15,000 and up. It is a waste of time to talk to people who are able to buy only small policies. If I did all my business with clerks I would go crazy inside of six months. If a life insurance man will deal with men who are able to buy large amounts, he will have less trouble, get more satisfactory interviews, and do business in much quicker time.

"Just now the thing to do is to stay off the men who are not making any money. Until recently automobile salesmen were all broke, the wholesale clothing salesmen were doing practically nothing, and so were the advertising salesmen. All right, then the thing to do is to avoid men in these lines, and tackle those who are in a branch of business that is showing a profit.

"The people that have money aren't worried now any more than they ever have been. The man that has enough money never is worried. He has nothing to worry about. He is much more open-minded than the man who has a small income, and is afraid that every salesman that tackles him is trying to get part of it. Fluctuating business conditions have very little effect upon the mind of a man who has plenty of money, knows that he has plenty, and is not financially worried. Such a man is not afraid to listen to a salesman who has a proposition to present that involves several hundred dollars.

"If an agent has an interesting way of driving home his point he can often do business much quicker than he can by making lengthy explanations or taking a lot of time to explain just what life insurance is and what it will do. As an illustration, the other day I called on a man that I knew was earning a salary of over \$8,000, was married and had two children. I went after him, but found him a rather tough proposition. I stayed with him, though, and finally he said: 'Well, maybe you are right. Perhaps I ought to have a little life insurance. I will take a policy from you.'

"Without wasting a moment's time I

pulled out an application and started to fill it out. As soon as he saw the application, he hedged a little bit and said: 'Now I know just what I want. You can give me a \$1,000 policy on the cheapest plan you have, what you call the ordinary life plan. If you want to write me up for that, all right, and if you don't, all right.'

"Now, then, if I had stopped right at that point to argue with him about whether \$1,000 was a large enough amount or not, I would have lost the sale. He was taking the stand that it was a \$1,000 or nothing, and if I had attempted to change his mind then, I would have got nothing. So I started in filling out the application without offering an argument. I asked for his full name, address, age and various other things that we have to know about in filling out an application. I purposely omitted filling in the name of the beneficiary. He was watching me closely and noting carefully everything that I wrote on the application.

"Finally I asked: 'Who is your undertaker?'

"He looked at me somewhat puzzled

The man out on the firing line does not often get his views on selling problems into print. It is the "big men" of the business who usually are quoted on such matters. What the average man with the rate book is doing and saying in getting business today is, however, of very decided interest to other men similarly situated. Therefore, the expressions given herewith by typical producers of this class will unquestionably be of great interest to the men in the field.

and replied: 'Undertaker? What is the idea?'

"I answered: 'Yes, your undertaker. Who is the man that would take care of you in the event of a death in your family?'

"He answered: 'Why, if there were anything of that kind, I suppose that Dennis Carroll up on the north side would look after it.'

"Without hesitation I wrote on the line stipulating the beneficiary, 'Dennis Carroll, undertaker.' I asked him if that were the way to spell the name.

"He looked at me somewhat confused and said: 'Yes, but I have not told you that I wanted Dennis Carroll to be the beneficiary of this policy. I hardly know him. This insurance is for my wife and family, not for Dennis Carroll.'

"'Oh, no, it isn't,' I shot back at him. 'That's exactly who this insurance is for, your undertaker. Your family will never get any of this money. If you leave only \$1,000 life insurance, by the time your family gets through paying your funeral expenses, Dennis Carroll will have the whole thing. What this is, is just burial insurance. I thought at first that you wanted life insurance for your family, but I see that what you are driving at is the money for your funeral expenses. We'll just finish up this application for the undertaker, and then if you want some life insurance for your family, we will make out another one.'

"The upshot of it was that he took a policy for \$10,000. He saw the point. By showing him in just that way that a small sum of money \$1,000 really was, he was moved to spend a little more money and get a real policy.

"I had another case of a man in the investment banking business. He was one of these cock-sure fellows that had an idea that he could get anything that he wanted and do anything that he

wanted. He told me that he was making 20 percent on his money, was saving \$2,000 or \$3,000 a year, living well, and did not see any reason for buying life insurance. I showed him that he did need life insurance. I said: 'You are going along, getting everything that you want, and yet you are saving your money and hoarding it up every year. Who are you saving it for? Not yourself, because you are getting everything you want anyway. If you wanted anything more than you have, you will go out and buy it, but still you would save \$2,000 or \$3,000 each year. You are piling up this money for your family, aren't you? Now you are earning 20 percent on your money. Why won't you be satisfied with 17 percent and let us have about 3 percent for life insurance? Here is what we will do with it: If you save \$2,000 under your present scheme, you have only \$2,000 added to your estate if you die. Give us 3 percent, or \$350 a year, and spend the rest and when you die, you will have \$10,000 more instead of \$2,000.' That man saw the point, and bought.

"Another prospect told me that he did not need any life insurance because he already had \$2,000 and did not want to leave a lot of money for some other man to spend. I just looked at him and said, 'Two thousand dollars. That sounds like a lot of money, doesn't it? Well, it amounts to about \$10 a month.

Some other man is going to have a riotous time on \$10 a month, isn't he? As a matter of fact, your wife will have to marry again immediately or go to work if you don't leave her any more money than that. If you went away for a trip of three or four weeks, would you leave your wife with only \$10 a month? No, you would leave her with plenty of money with which to buy the groceries and pay the rent and take care of any other expenses that would come up during the time of your absence. All right, you are going to go on a long trip some day and you are never coming back. You do not know when you are going to start. Nobody does. But if you only leave your wife \$10 a month, how far is she going to get on that much money? That won't pay for a good meal downtown and a couple of tickets to the theater. Two thousand dollars may seem like considerable money when you think of it alone and in one lump, but when you come to figure out how much \$2,000 will do, it doesn't take you long to find out that it will do practically nothing. You've got to figure on what money it will earn and \$2,000 won't yield anybody very much interest. You know that.'

Walter W. Grosser, Guardian Life, N. Y.—"Nearly all of my business is being written through the prospect bureau that my company maintains. Have you ever heard of it? I get up a list of prospects, send it to the home office, and they do all the circularizing. They send out an interesting letter to the men whose names I give them offering to send them a handsome memorandum book with their name stamped on the front in gold. Out of 50 letters of this kind sent out there will be on the average 15 answers. I can follow up these letters with a personal call during the course of which I deliver the book to them. The very fact that business men of substance will answer a circular let-

ter of this kind shows the universal recognition of life insurance. When big business men are sufficiently interested to send in their names, it shows the progress that life insurance has made during the last few years.

"A careful selection of prospects is what is needed by most agents these days. Many salaried men are in no shape to buy. On the other hand there are plenty of men who are making money and are willing to spend it providing something is offered that is attractive. It is certainly a fact that it is easier to get an audience now than it used to be. The prospect does not put up his guard so quickly when life insurance is mentioned. I do a great deal of cold canvassing and would not do it if it were not profitable. The only reason that I go out and brace men without any previous introduction, or even knowledge of who they are or what they are, is because I get business by this method. If everybody turned me down, if nobody would give me interviews then I would quit cold canvassing and turn to some other method. But as a matter of fact, cold canvassing pays, and always has paid. It turns up prospects that never could be found in any other way.

"The excuse most commonly offered by the man who says he does not want to buy life insurance or who has not been sufficiently interested is that business is poor, the outlook uncertain, and that because of the unsettled condition, no additional investment should be made in life insurance. I hear this every day. Men tell me that they do not want to do anything with me because business conditions are not what they should be. This is no excuse. Instead, it is an argument for life insurance. If everything were all right today, tomorrow and the next day, there would be no need of life insurance. If the average business man could know definitely that his program could be carried out without modification, all of the life insurance companies of the country could go out of business. Life insurance was created to cover unexpected contingencies and sudden death.

If a business man tells me that business is poor, that he is uncertain as to how his own particular business is going to prosper in the next six months, and that the outlook generally is unfavorable, I ask him what would happen to his family if he should die under those circumstances? If he is himself troubled over how he is going to work out his business problems, I ask him how he expects his widow who knows nothing of his business at all, to take hold and carry the thing through successfully? It is just because business conditions are somewhat uncertain that a man should carry life insurance. He should have protection for his family so that if he dies during a time of business disorder, his family would be properly taken care of irrespective of what became of his business. A man who leaves his business to his family may be providing them with a fixed income for life, or he may only be passing on to them a very large bundle of trouble. If a business is in good shape, if it runs along smoothly after his death then his family is properly taken care of. If, however, it is in run-down condition, if it is disorganized, if it is poorly equipped and running along in a rather uncertain state, the family simply inherits worry and confusion and no income. Life insurance provides a fixed and definite income for the family entirely aside from what may happen to a man's business. This is the best argument that can be used by a life insurance man to-day. It is the only way to meet the

Renewals are easy to earn and once earned, are vested in you or your estate, under our Square Deal Agency Contract.

Guardian Life
Insurance Company

Home Office, Madison, Wis.

HOME LIFE INSURANCE CO. NEW YORK

WM. A. MARSHALL, President

The 62nd Annual Report shows:
Premiums received during the year 1921.....\$6,990,547
Payments to Policyholders and their beneficiaries in Death Claims, Endowments, Dividends, Etc.4,740,340
Amount added to the Insurance Reserve Funds.....2,121,307
Net Interest Income from Investment (\$642,638 in excess of the amount required to maintain the reserve)1,964,050

Actual mortality experience 53.44% of the amount expected.
Insurance in Force.....\$223,116,887
Admitted Assets43,222,328

FOR AGENCY APPLY TO

W. A. R. BRUEHL & SONS

General Managers

Central and Southern Ohio and Northern Kentucky
Rooms 601-606 The Fourth Nat. Bank Bldg.
CINCINNATI, OHIO

HOYT W. GALE

General Manager for Northern Ohio
229-233 Leader-News Building
CLEVELAND, OHIO

FEDERAL UNION LIFE Insurance Company

Cincinnati, Ohio

has just issued a very interesting booklet

"Suggestions for Increasing Your Income"

and would be pleased to send a copy to every Life, Fire and Accident Agent in

Ohio, Illinois and Kentucky

Rates Reduced

Premium rates reduced September, 1920

All leading forms of policies written.

Best of contracts to agents.

Two general Agencies open in Iowa.

Write for information.

LOUIS H. KOCH, President

National American Life Insurance Co.

Burlington, Iowa

excuse that nothing can be done because of business uncertainties."

T. S. Shattuc, Mutual Life of New York.—"Business was never better with me. I am very optimistic over the outlook. In making my calls I am able to notice an improvement in every line of business. Concerns that have been working 40 or 50 percent of capacity for some time are now working 70 or 75. This is especially noticeable in the steel business and with machinery manufacturers. There is a big field for business or corporation life insurance just now. Most business houses have seen the effect of the death of some important member of their own firm, or another with which they are well acquainted. It takes longer to sell a business life policy, but it is worth all the time that is spent on it. Now that we are beginning to notice a business revival, it is much easier to get an audience on a business life case."

"The surface of the insurance selling field has only been scratched. I am more convinced of this all the time. If the life insurance companies in Chicago should double their selling forces they would still fall far short of the mark, so far as having an adequate number of agents in the field is concerned."

"The other night I had an interview with the superintendent of a large concern at West Pullman, Ill. During the course of our talk, I asked him how often he was solicited by an insurance man for any kind of insurance. He said that he did not see an insurance salesman oftener than once in six months. This in spite of the fact that he is earning a good salary, holds a responsible position, and is very easy to reach and talk to. I am very much encouraged over the outlook. I find that business is easier to write now than it was a few months ago, and I am very sure that I am going to show a comfortable increase in business this year."

S. H. Wallace, Union Central.—"My plan is to sell a man \$5,000 and then start out to build him up to \$25,000. During the time that I am trying to put the sale over, it is a strictly business proposition with me. When I finally land an application and the policy is delivered from the home office, I invite my new policyholder out to lunch, deliver the policy to him there, and then commence my cultivation work. I call on that man at least once a month for some time after I have delivered the policy. In this way I keep in close touch with him. I do not press him for business every time I talk to him, but in a short time he knows all about me, and after a time actually becomes interested in seeing that I do a little business, if not with him, then with somebody that he knows. If a man has only \$5,000 worth of life insurance, he has very little after all. Most men who are making any kind of a success in life, need at least \$25,000. It takes some time to get them to see this, but it can be proven if the agent will keep at it. The only way to put the idea across is to keep repeating it so often that the policyholder finally gets to believe it himself. I don't pretend to close business or get a definite promise of business every time I make a call, but I don't believe very many of my calls are wasted. If I have any leading to do, I do it in the prospect's office, not my own. There is always a chance that in a prospect's office, some business will turn up, or something will happen that will lead to business, but there is no chance of my writing a nickel's worth of business in my own office."

"I work on the theory that every case should produce at least one or more additional applications. Mine is a sort of chain system. One case leads to another and another and so on. I came to Chicago a total stranger in 1920 and had to do considerable cold canvassing at first. The third man I talked to after I lit in Chicago, bought. Now I have worked away almost entirely from straight soliciting. It does not pay. I can do much more business by talking to people who know me, who have bought from me, who are satisfied with what I have done for them, and are sufficiently interested in me to either do

more business with me or tell me where I can go to get it."

Harry B. Irland, Provident Life & Trust.—"Business is good with me, and with everybody else in this agency. Over 50 percent of the business sold by the men in this office is on the endowment plan. If times were hard, if it were difficult to write life insurance, how could we be selling what is really the most expensive form of life insurance to buy? Men have the money today, it is just a question of making them want what you have to sell. I talk life time insurance. I make a man see that when he buys my policy he is investing in a financial program that covers his whole life. He has a difficult goal to work toward, when he gets a long time endowment contract. It is necessary to see more people than he will not lapse it easily, because he has an interest of his own to consider. It was six months or a year ago. But there is this about it: when you do see them it is easier to get satisfactory interviews. While I am getting more turn-downs than I did some time ago, yet I am getting more satisfactory interviews than formerly. People are not afraid to talk to life insurance men any more. I believe that the work that I am doing now will bear fruit two or three months from now when business generally picks up somewhat. I think that when a life insurance man is able to put over a satisfactory interview, one in which the prospect shows real interest, he never wastes his time. That interview will lead to something eventually. If the salesman is not able to cash in on it at once, he certainly will be able to before a great deal of time passes."

"All classes of prospects are in a more optimistic frame of mind today. I see this every place I go. When I walk into an office even on a cold canvass and announce that I am a life insurance man, the prospect does not immediately crawl back into his shell and become unnecessarily busy and occupied. Instead, I have very little difficulty in getting an interview. It is quite apparent that the average business man has ceased to regard the life insurance agent as a pest. He is willing to give him a hearing. A good life insurance man needs nothing more than a really serious interview. If he can get that, he can usually sell his man. If he can't sell him, he has no one to blame but himself. What I am encouraged over today is the fact that interviews of this kind are much easier to get than they ever were before."

C. C. Otto, Mutual Benefit.—"My 1922 business is running ahead of last year both as to volume and number of lives. I believe this is due principally to the fact that a great deal of my 1920 business went off the books. In that year, which was the biggest in the history of life insurance, I wrote a very large number of lives. I secured applications from electricians, machinists, truck drivers and others who should never have taken out life insurance, or at least as much as they bought. My lapse record on my 1920 business has shown me the value of confining myself to the right kind of people. Nothing is accomplished by simply writing an application if two or three years hence it goes off the books. I have learned to solicit only those people who are financially able to carry life insurance. This year I have kept among a good class of people. The business I am writing now is going to stay on the books permanently."

"Another thing, we have been running a three-months' contest here, and that has done a great deal to keep up my pep and enthusiasm. It certainly has made me work much harder than I was before the contest started. It has made me move around and see many people that I perhaps would not have talked to before. In getting about these days I find that it is a little harder to interest people, and that a life insurance man has to call on a larger number of people in order to get the same number of applications that would have resulted from interviews with a smaller number of people a few years ago. In a city like Chicago it is necessary to take notes to some extent, but that does not bother me. If I can sincerely interest a man in life insurance, if he wants it, and sees the necessity of having it right away, I am willing to finance him for a time. A man who really wants life insurance has something of the right attitude and will not fail entirely. I am not afraid of his note."



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Land and Building Owned and Occupied Exclusively by the

ILLINOIS LIFE

Admitted Assets, December 31, 1921.....\$19,413,846.72

Payments to policyholders and beneficiaries since organization 21,566,983.06

FIVE YEARS RECORD

	Year Ending Dec. 31, 1916	Year Ending Dec. 31, 1921	INCREASE
Interest Income ..	\$ 620,562.65	\$ 991,613.43	\$ 371,050.78
Premium Income ..	2,419,486.91	3,818,060.43	1,398,573.52
Admitted Assets ..	12,946,337.03	19,413,846.72	6,467,509.69
Insurance in Force.	80,280,589.82	136,485,045.27	56,204,455.45

ILLINOIS LIFE INSURANCE CO.

CHICAGO

James W. Stevens, President

GREATEST ILLINOIS COMPANY

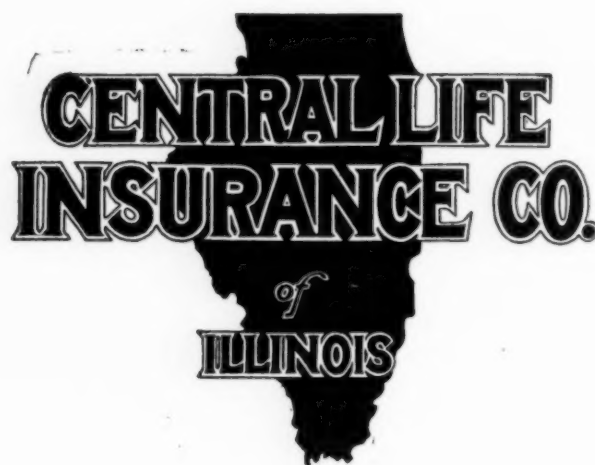
Getting Ahead

The Central Life in its active, daily affairs, has always guarded against letting the press of details of the moment cloud the vision of the broader aspects of business. The eyes of the company are open to conditions in the insurance field in general, to the basic standing with agents, uninfluenced by any temporary enthusiasm inspired by a single recent transaction.

Because of this clarity in the gauging of perspective the company knows where

it stands and can tell with assurance that it is getting ahead. Broadly and in all branches—progress has been made.

Agents, in taking the Central Life into their offices, can be assured that the company will co-operate with them in the same broad manner. Short sighted sacrifices to expediency have no place in its scheme of things. Every effort is bent toward helping agents in getting ahead in the same sound way in which the company itself has progressed.



Ottawa, Illinois